Daily Report

Latin America

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Cuba

Havana Radio on U.S. Stock Market Fall

PA211715 Havana International Service in Spanish 1800 GMT 20 Oct 87

[Text] The world's stock exchanges today registered a real wave of drops following the resounding fall on the New York Stock Exchange, where there was a more than $500 billion decline in the stock prices. The crisis, which many believe was caused by the dollar's sharp fall, led to a selling fever and the closure of several exchanges for the rest of the week. The drop on the New York Stock Exchange is the most significant since the Great Depression of 1929, and is directly linked to the U.S. aggression against Iranian petroleum installations.

Technical Commission Begins Meeting in Berlin

FL170303 Havana Television Service in Spanish 0100 GMT 17 Oct 87

[Text] Cuba and the GDR have begun in Berlin the 14th session of the intergovernmental commission for scientific-technical cooperation. The Cuban delegation is headed by Carlos Rafael Rodriguez, vice president of the Councils of States and Ministers, and the host delegation by Gunther Kleiber, deputy chairman of the Council of Ministers.

The commission will outline its strategy and sign a 1-year trade protocol. The session will stress the widening of scientific-technical cooperation and common investments in the Cuban economy.

National Assembly Holds Sep Sessions

Castro Remarks

FL161300 Havana Tele-Rebelde Network in Spanish 0100 GMT 7 Oct 87

[Remarks by President Fidel Castro during 28-29 September National Assembly of the People's Government [ANPP] sessions held at the Palace of Conventions in Havana—recorded]

[Text] This cannot be done immediately. Unfortunately, we cannot do all this immediately. The promotion system calls for an overall analysis. We are studying this matter. We must decide what must remain within the system and what must be abolished. We must determine the good and the bad of the system in order to pass an appropriate law on this. We are planning a meeting with the enterprises next year—more than a meeting, I think this will be a congress—to study this matter.

Among the millions of things that the Politburo has to do, it is also putting much time into studying the direction and planning system in order to issue its recommendations. The promotion system is part of the direction and planning system. Rules, guidelines, promotions, multi-assignments, and the narrow profiles, are some of the various things that affect development, and all these aspects fall under the direction and planning system. But, we cannot promise that we are going to study this issue immediately because it would mean that we would have to rush into this, and one cannot rush the drafting of a law.

I was saying that we will discuss this matter during the meeting with the enterprises, the Congress of the Enterprises. During that meeting we will probably have to organize commissions to make recommendations. We must also emphasize persuasion. We must demonstrate with examples, that what we are doing is correct; that a ministry cannot issue resolutions; that no one in the country can, on his own, draft a general resolution; that a resolution can only be drafted after the workers have been persuaded.

If we were to act differently, then we would be acting like technocrats deciding what is good or bad and issuing a decree. We must not make decisions on our own; we must first persuade the workers. Otherwise, it would not be right. We have to educate our workers since we have already educated them incorrectly with years of compromises, paternalism, and all sorts of commitments. We have made things too easy for them, so easy that they did not even have to work. The idled worker, the idea of the idled worker was nothing more than a form of corruption. It was an excess of bureaucracy, noncompliance with the work day, underutilization of the work day, of the equipment. What about those coffee breaks? We knew when the coffee break started but never when it would be over. In sum, we, in one way or another, created all those things. Now that we have become aware of all this, we know what can hinder development and we are doing our best to overcome this problem. And we are doing many good things. Let it be known, Comrade, that we are doing all this without a resolution. No one has gone before the Supreme Court to appeal the minibrigade system. I have not heard of a single appeal. Amaro, [not further identified] has an appeal been presented?

[Unidentified speaker] None.

[Castro] And we have 20,000 minibrigade workers in the capital city.

But if I consider everything we are doing everywhere, the laborers who are building the Pinar del Rio Highway, or those who are in Vinales, there are many men working 12 and 14 hours. But the most notable example of that massive movement is the minibrigade movement because of what they do, the wages they collect, and all is a result fundamentally of political work. There has been no need for a law . A law has not been needed to create minibrigades. But the labor force that can be mobilized with political, revolutionary, and massive methods is fantastic.

If it can be done [word indistinct] why are we not going to convince workers? But they have to be convinced. It is not a matter of [word indistinct]. That would respond to a technocratic mentality of someone who decides what is the best thing and adopts a resolution the following day without talking to anyone. Those are the men who disrupt revolutions because they want to carry out through laws things that can be done [otherwise].

That is why I tell the comrade: I agree and sympathize with the intentions and the spirit but one has to take into account that all this is not going to be done by tomorrow. Because I believe that in order to eliminate the negative aspects of the seniority system and leave the good ones, we have to study it very well first, in what can [words indistinct] and eliminate it from all that. We first have to study it well in order to end with all those job descriptions or those narrow profile jobs. Well, not only study it well; all workers need to be persuaded. All these measures are already being implemented in some work centers with excellent results. They are also being tested. Because in order to go and talk to the workers, one has to convince them, persuade them by telling them this has been proven. After it has been tested, after they have been persuaded, all workers in the country—when I say all it is not 100 percent but I mean the majority of the workers in the country—can go and apply those measures.

How it is done is also very important. We are completely opposed to having even one man without work. And if one is left without work, we pay him. He has to be paid as long as we do not find him another job. Anything else would be technocratic, bureaucratic, in short, it would not be humane.

Castro on Law

FL161725 Havana Tele-Rebelde Network in Spanish 0100 GMT 7 Oct 87

[Remarks by President Fidel Castro during 28-29 September ANPP sessions held in Havana's Palace of Conventions—recorded]

[Text] I view all these legal matters as a gigantic and tangled web. We need to clarify, to find the way to advance in our struggle against this lack of knowledge or this mentality of contempt or lack of respect for law. How can we encourage something more than knowledge, Flavio [Bravo]— consciousness, will to respect laws, as a general culture of the country? Not only through legal education because respect for laws is part of the general culture.

We had 500 years of colonialism, of cheating, and tricks. That is the kind of education we received. The big truth is that many of those who conquered, and colonized this hemisphere came from Spanish jails. I do not believe many knew much about judicial matters and law. They came here and committed all sorts of crimes against the people. They killed and enslaved our people. This was followed by approximately 5 centuries of corruption. They brought with them a specific mentality which we inherited and now we find ourselves facing the need to shape a different mentality, to create a new mentality of respect for law, not only a knowledge of the law, but respect as well. You can have knowledge of the law but you must also respect the law. You must learn to distinguish between respect for the law and disregard for the law.

We have to encourage an awareness of respect for the law, of the need to respect the law, the need to live according to certain rules. The will to respect the law is really a new culture. This is practically what we need in this field. If this is the key, the bottom line, the foundation, I ask who...[changes thought] the modern world is full of regulations. The law originated in ancient Roman times. They created some laws we still abide by. It was very complex, they had an enormous number of regulations. It would not be possible for everyone to study all the laws. We would have to even think about—because we all studied civics, ethics and civics, that abstract, boring, awful book, that taught us nothing. This was taught in a society where these values of respect for law could not flourish in any way. We inherited this. All of us should set an example and encourage the respect for the law even if the law is a bad one. If it is bad what we need to do is change it. We must stop thinking that laws are worthless and that we can disregard them, that they can be violated.

I believe those are the problems in a more in-depth view of these matters. I know that sometimes they are included in a book. Who is going to learn all the codes? If one could say: our Constitution guarantees these rights and these things; our penal law contemplates the following specific crimes; our civil code guarantees this or the other. We do not have too many problems with our property law, except for the ones we ourselves have made up with the housing law and some of those things. Perhaps we could issue a brochure to include rights, duties, even procedures. But that takes trained people, intelligent people who can simplify them, put them in plain language. So if there are 70,000 articles perhaps the people can learn 200 or 300 principles, norms, things, rights, duties, what can be done, and what cannot be done. Above all, we have to create a mentality of respect for law. [video caption reads: "We have to set an example and support the respect for laws."]

Aldana on Respect for Law

FL161725 Havana Tele-Rebelde Network in Spanish 0100 GMT 7 Oct 87

[Remarks by Carlos Aldana, Santa Cruz del Sur deputy and Communist Party of Cuba Central Committee secretary, during 28-29 September ANPP sessions held at Havana's Palace of Conventions—recorded]

[Text] We frequently excuse our social indiscipline, our lack of respect for others, and our, let us just call it Cuban irreverence, our idiosyncracies. It is true that the

Cubans have certain idiosyncracies that can be traced back to our origin—Comrade Fidel also talked about this. However, I truly feel that we are somewhat abusing these idiosyncracies. We are using them as an excuse. Our Cuban background also includes the outstanding example of the Mambi Army—an Army that was an example of discipline and organization for Latin America; an Army that created prefectures and subprefectures in the territory it liberated, an experience that was later copied and enriched by the rebel Army. I think that we, the Cubans, have proven, on many occasions, that despite our nature, we are capable of doing great things, of being disciplined, of having a sense of responsibility, when we feel that we are being led by outstanding men with authority. This is why I think that the issue of respect for the law must not be discussed separately but together with the political and ideological problem which involves the prestige and authority of all the leaders. That is what I wanted to say. [applause]

Justice Minister on Violations

FL161558 Havana Tele-Rebelde Network in Spanish 0100 GMT 7 Oct 87

[Remarks by Juan Escalona, Plaza de la Revolucion deputy and justice minister, during 28-29 September ANPP sessions held at the Palace of Conventions in Havana—recorded]

[Text] We do not have the slightest doubt that if we were to take a closer look at the mistakes made and problems encountered throughout the country, we would find that there has been a disregard for the laws and the established guidelines, and that many workers have not abided by those guidelines. As far as we are concerned, all this has happened, not because we have no laws, but because those who are responsible for making others abide by these laws are not doing their job.

We have talked with our comrades at the attorney general's office and we have pointed out that their job is not only to report on the number of violations committed, but to struggle to correct the situation. The attorney general's office is now limiting the number of cases it accepts in order to be able to thoroughly review those that are considered important. We must do much more that just visit an enterprise, point out the hundreds of violations found, and write up a report that an inefficient or irresponsible administrator will most probably ignore. Then all the work done has been for nothing.

We are experiencing the same problem with the price control inspectors. They spot thousands of price violations, write up hundreds of reports, but the administrators and the negligent workers do not adopt the necessary measures to prevent further violations. Thus, the interests of our people are harmed.

Commander, we believe that a law in our country must be something that can be objectively enforced and understood by the people. Many of the rules and guidelines issued by various organizations harm the people and the people are not aware of this. It is very easy for all of us to sit behind our desks and sign a resolution or decree that will affect the lives of the people. And we feel that we have the right to do this, and there are 40 of us doing this. Suddenly you stop and look back at all that was done and all you see are resolutions. We draft many such resolutions, but we draft very few laws. We must make an effort and concentrate on general laws and the ministries will then be responsible for issuing rules in accord with the law.

We cannot attempt to run the people's lives. When we work on a resolution, when all of us work on a resolution, we are only looking at it, as I always put it, from behind the counter. We only see the side that will be good for our organization; we only see that it is going to be good for the person drafting the resolution. But we do not think about the people who will be affected by this resolution, we do not think of the people who will be paying the consequences. I think that a resolution should not be based on the situation out on the street, I think that it should be based on the situation at the work centers. I also think that it is essential to promote the moral values and factors, and the ethical principles that should be followed by a society like ours.

OTHER COUNTRIES

Commonwealth Supports OECS Political Union

FL191756 Bridgetown CANA in English 1537 GMT 18 Oct 87

[By Sandra Baptiste]

[Text] Vancouver, Oct 18, CANA—The Commonwealth has thrown its weight behind the move toward a political union by six Organization of Eastern Caribbean States (OECS) countries, promising to support the initiative wherever possible. The pledge was contained in the end of conference communique of leaders of the 48 nations.

The communique noted that the unity quest was designed to reduce the vulnerability of small economies about which the Commonwealth had expressed concern at earlier meetings.

The St Vincent and Grenadines prime minister, Rames Mitchell, one of six nations, asked the conference on its final day to give a hearing to the unity plans, which do not have the backing of Antigua and Barbuda, the seventh OECS member nation.

The communique noted with regret Guatemala's continued non-recognition of Belize's sovereignty and independence, which they viewed as inconsistent with the movement toward peace and democracy in Central America.

They urged the parties to pursue negotiations to achieve an early and lasting settlement of their land dispute and suggested that whenever necessary the Commonwealth ministerial committee on Belize be convened.

The heads of government welcomed the improved relations between Guyana and Venezuela which also have a long-standing territorial dispute, noting the increase in cooperation in several areas between the two countries and efforts to settle the issue through the United Nations under a 1966 agreement.

The proposal to ease the debt burden of middle income countries put forward by Jamaica's Prime Minister Edward Seaga, on behalf of the Caribbean community (Caricom), according to the communique, merited serious consideration by the international community.

The CARICOM initiative calls for the World Bank and International Monetary Fund (IMF) to provide new forms of lending to stimulate growth and for a programmed reduction of debt service ratios. New lendings would also be dovetailed with the rescheduling of programmes of the Paris Club to western creditor nations.

Seaga told CANA he had not found significant support for the Caricom proposal, which was expected, because the Commonwealth did not include many middle income countries at which the debt strategy is targeted.

The Commonwealth heads called for a halt to protectionism and for greater technical and financial help from the Commonwealth secretariat to secure more stable commodity markets and greater diversification of developing countries economies.

In addition, the conference agreed that lending conditions by the World Bank and IMF should be flexible and responsive to growth and other development objectives.

The Commonwealth leaders reaffirmed their view that because of their particular problems, small states merited special measures of support which should continue to give priority in development assistance from the London-based Commonwealth secretariat.

The Commonwealth leaders also endorsed a recommendation from Commonwealth ministers, responsible for women's affairs, to establish an expert group on the impact of structural adjustment on women.

Grenada

Brizan Elected To Head New Opposition Party

FL201518 Bonaire Trans World Radio in English 1130 GMT 20 Oct 87

[Text] A new opposition party in Grenada has chosen former Agriculture Minister George Brizan as its leader. The National Democratic Congress Party elected Mr Brizan by acclamation after making him their sole nominee for chairman. Two hundred and fifty delegates from all parts of Grenada attended the party meeting which also produced a document of principles and a constitution. Mr Brizan addressed the party as a family party saying it was the only party in Grenada that could bring together so many people for a convention.

Haiti

Priests Issue Communique on Elections

FL201651 Port-au-Prince Radio Soleil in Creole 1100 GMT 19 Oct 87

[Text] There is a communique from a group of 31 Haitian priests in connection with the 1987 elections. The priests signing the document are from the country's seven dioceses, and people may add their signatures to it. The communique is a resume of a longer declaration which the priests have made in connection with the elections. The communique has 16 points:

Point 1: We are a group of Haitian priests from the country's seven dioceses reflecting upon the 1987 elections. We met after messages on 8 August and 2 October from the Episcopal Conference of Haiti [CEH]. We are studying several points in these messages, and we too will give our opinion.

Point 2: We acknowledge that the current disorder in Haiti is no guarantee of the security necessary for the elections that are supposed to be held, but we do not think that this should intimidate anyone and prevent them from participating in elections.

Point 3: We know that these elections will not solve the major problems of the Haitian people, but we encourage the population to participate in them. First, so that it may continue to demand its place in national life, as it has been doing since 7 February 1987. Second, so that it may bar the path to the unscrupulous Macoutes who want to get back in power.

Point 4: We respect the ideas of people and organizations who believe that in order to help the Haitian people progress, they should refuse to participate in elections. However, we ourselves think that a proper approach to elections on the part of the Haitian people, and their proper participation in these elections, will help further the work of liberation.

Point 5: We declare that the political behavior, activity, and ideas of the presidential candidates have not permitted us to discover any among them who are truly in the service of the people. In this case, we must choose the least bad—those who might offer at least a little hope.

Point 6: We invite all Haitian patriots to rise up and, from the administrative councils for the communal sections to the presidency, to bar the way to the former collaborators of Francois or Jean-Claude Duvalier in

view of the many such candidates who are out to install an even more thieving, more immoral, bloodier macoute regime than the preceding one. We ask all Haitian patriots not to pay attention to rumors that they have friends in the clergy and among the congregations, because Macoutes have entered the church too.

Point 7: We invite all staunch Haitian patriots to rise up and spoil the game of the National Government Council [CNG] which is looking for any any old reason for the Army to remain in power, and trying to install an official military dictatorship, like the national security government of President Pinochet in Chile.

Point 8: We declare that if they really want to see new people, who see things differently, lead this country; if they want to rid this country's administration of the remaining Duvalierists, as the CEH asked in its message no 8 of 2 October 1987 and message no 9 of 7 March 1987 [date as heard], neither priests nor church organizations can remain indifferent and not take a position under these circumstances.

Point 9: We ask Haitian patriots to be vigilant so they can determine which of the other candidates have shown themselves to be most willing to pay attention to the population's demands and which will seek to satisfy these demands. They must decide who is most determined to refuse to sell the country to the Americans or any other foreign power; who is most willing to encourage national production, as opposed to the American plan; who is most willing to respect the Constitution of 1987 and guarantee the lives and the progress, in every sense, of the Haitian people; who is most ready to have a government work as a team, from the administrative councils for the communal section to the collaborators of the president.

Point 10: We are counting on all Haitian patriots to keep an eye on the work being done by the Provisional Electoral Council [CEP], so that it will not falter in respecting the Constitution as regards the election and so that it will apply Articles 291 and 292 concerning Macoutes who cannot be candidates. We ask you to keep an eye on the CEP, but also to protect it, to buttress it, so that it will have the force to serve the people as it has promised to do.

Point 11: We encourage the Haitian people to continue to denounce any repression and any intimidation, both in the rural areas and in the cities, aimed at getting rid of presidential candidates, as happened to Louis Eugene Athis and valiant patriot Yves Volel, and at preventing peasants, workers, and youth from participating freely in the elections.

Point 12: We cry out to the American government to stop meddling in the political affairs of the Haitian people, to stop giving the CNG weapons with which to massacre the population, and to stop mistaking the Caribbean countries for its backyard. We are counting especially on our compatriots outside the country and on the foreign friends of the Haitian people to help us with this point.

Point 13: We encourage all staunch Haitian patriots—especially the young—to set up brigades to watch for people who try to buy votes and people who try to sell votes for money, for a position, for a car, for a house, and for other such things.

Point 14: We ask all Haitian patriots during this electoral campaign to place the interests of the Haitian people above any personal interests, and to not let any matter of skin color, region, religion, or family divert you from the interests of the Haitian people.

Point 15: We ask all Haitian patriots to form a huge chain of solidarity and, if the good of the Haitian people should require it, to set aside all pride and all partisanship, so that we can braid our forces together and pull the country out of the chasm into which it has fallen.

Point 16: We invite all Christians, Catholics, Protestants, all those who serve the "loas" [voodoo sects] and everyone of any other religion, Haitian or foreigner, to pray fervently for God to light the way for us and support us in this difficult moment we are traversing.

That was a communique from 31 priests from the 7 dioceses of Haiti who have taken a position regarding the coming elections in Haiti.

[Port-au-Prince Radio Haiti-Inter in French at 1100 GMT on 19 October, reporting on the priests' statement, adds: "The communique is signed by 31 priests, including Fathers Antoine Adrien, (Emile Beldore), (Reynald Clerisme), Max Dominique, Frantz Grandoit, Yvon Joseph, Wiliam Smarth, Max Pierre-Louis, Denis Verdier, and Jean-Marie Vincent."]

Costa Rica

President Arias Meets With Contra Leaders

PA210427 San Jose Radio Reloj in Spanish 0100 GMT 21 Oct 87

[Report by William Cespedes]

[Excerpt] President Oscar Arias Sanchez is currently in a meeting with Nicaraguan Resistance leaders Alfredo Cesar, Brooklyn Rivera, and Alfonso Robelo. No details have been given concerning the topics being discussed in the meeting, which was hastily arranged. However, it is taken for granted that they are discussing the regional peace process and the contacts carried out by President Oscar Arias Sanchez with the Nicaraguan Government to attain a cease-fire and a dialogue with the Nicaraguan Resistance. [passage omitted]

Views Situation in Nicaragua

PM211108 Barcelona LA VANGUARDIA in Spanish 16 Oct 87 p 10

[Report on interview with President Oscar Arias by Joaquim Ibarz and other unnamed Spanish journalists in San Jose; date not given]

[Excerpts] San Jose, Costa Rica—"If we want to achieve lasting and stable peace in Central America a cessation of hostilities must be agreed upon that provides guarantees to both sides. My chief worry now is that Daniel Ortega has still not accepted Cardinal Obando y Bravo's offer to mediate with the rebels," President Oscar Arias said in an interview granted to four Spanish news correspondents.

"We have never demanded a direct dialogue with the contras," he added, "but we could consider indirect mediation via the cardinal. Let us remember that after all Ortega has already accepted Obando y Bravo as head of the National Reconciliation Commission whereas just a few months ago it did not even occur to him that he could agree to the cardinal's presence on any commission because he considered him his worst enemy." [passage omitted]

Oscar Arias is not discouraged by the negative response within the Reagan administration to his receipt of the Nobel Peace Prize.

"This is a familiar matter. There is a sharp difference between Reagan's position and mine. In principle I will never agree to a military solution to the Nicaraguan conflict or to conflicts in the region as a whole. Since Costa Rica is a civilized country, we believe in dialogue, in a negotiated political solution, never a military solution. Reagan believes the contras have served to exert pressure on the Sandinists to make them accept negotiations. I form the opposite interpretation. I believe the contras have been used as an excuse for abolishing freedoms, to make Nicaragua increasingly closed, less open and democratic—more dictatorial, if you like."

The president said he has asked the U.S. Congress not to approve any aid for the contras before 7 November because it would provide an excuse for not honoring the Guatemala accord. Arias is now considering new steps and initiatives to boost a peace plan that needs much support.

"I have had no contacts with Cuba but I do believe Fidel Castro enjoys great influence among the Managua leaders. If an approach is needed on my part to secure Cuba's mediation and greater flexibility, I will do it. I will not fail to do anything that is important to achieving peace. In the United Nations I had an opportunity to talk with Cuban Foreign Minister Malmierca. I asked him to help us secure a negotiated cease-fire. Actually, I did not receive a very favorable response."

The president, who conceals his shyness with the confidence of a politician who achieved success very young, now proposes that the United States and Nicaragua negotiate directly by resuming the Manzanillo talks in Costa Rica.

"I said both privately and publicly in the United States that there were subjects that would be better for Washington and Managua to negotiate directly. However, there is a certain resistance on America's part. Everything relating to what they call U.S. national security, to disarmament, military advisers, and the size of armies, should be negotiated directly by the two sides." [passage omitted]

El Salvador

Government, Rebels Hold Meeting in Caracas

PA211731 Madrid EFE in Spanish 1651 GMT 21 Oct 87

[Excerpt] Caracas, 21 Oct (EFE)—The dialogue between the Salvadoran Government and guerrillas began here today at an undisclosed location and under strict security measures. San Salvadoran Archbishop Arturo Rivera y Damas is mediating.

The Venezuelan Foreign Ministry has been cautiously quiet regarding the meeting. Unofficial sources say three FDR delegates and two FMLN delegates are representing the rebels and Planning Minister Fidel Chavez and Communications Minister Julio Rey Prendes are representing the government.

The archbishop's presence in Caracas was confirmed to EFE by Venezuelan Episcopal Conference spokesmen. They insisted the archbishop is a guest of the Venezuelan Foreign Ministry and that he has tried to not link his mediation between the rebels and the Salvadoran Government to the Venezuelan church. [passage omitted]

Rebels Say PDC Seeks Electoral Advantage

PA220315 San Salvador EL MUNDO in Spanish 19 Oct 87 p 1

[Text] The guerrillas assert that the government plans to take "advantage of the elections" to deepen the armed conflict through the third round of the dialogue and its results and through the formation of the two commissions based upon the "Esquipulas II" agreements, signed on 7 August in Guatemala.

The FMLN and FDR in Mexico and El Salvador issued a special document regarding the meeting at the apostolic nunciature and the atmosphere under which the possibilities of finding an adequate solution to the civil war were considered.

"For Duarte, the commissions are a formality that will allow him to say that he fulfilled the commitment he made when he signed the Esquipulas II Agreement. For the PDC [Christian Democratic Party], especially for the embattled presidential hopefuls, the commissions mean possibilities for electoral propaganda. For the Pentagon and the Armed Forces high command, the commissions and their failure would play the role of legitimizing an escalation of the war, which they are already planning," they say.

The insurgents maintain that despite the regime's propagandistic apparatus, the PDC intends to control the event to take "electoral advantage." "They suffered a crushing defeat at the hands of the popular movement, whose gigantic 55-hour activity in front of the apostolic nunciature made the popular organizations the leading protagonists, which in itself was an important act that confirmed the sectors' strength."

The rebels reiterated that "the cease-fire implies the reorganization of the government to include all of the sectors that are in favor of a political solution, without exception, including the FMLN-FDR. The rebels also said that since during the cease-fire there will be no disarmament, it will be necessary to guarantee that the clashes will end and the cease-fire will not be taken advantage of by either side to strengthen itself militarily."

It will be necessary, the rebels point out, to arrange the delimitation of territorial zones for both sides, a moratorium on the arms buildup, using the verification mechanisms agreed upon by the Contadora Group and the Support Group, an end to forceful recruitment by both sides, and the withdrawal of the foreign military advisers. In regard to specific agreements aimed at continuing the dialogue and creating conditions favorable so progress can be made, the rebels say that the aerial war should end and the use of long-range artillery, mines, and boobytraps, as well as economic sabotage, must be suspended. They also advocate the people's right to live in areas of their own choice and that the government demonstrate the necessary political will.

The FMLN-FDR questions the credibility of the Duarte government in its attempt to establish mechanisms leading to a settlement of the war through peaceful means, which would benefit a majority of the people who are exploited and oppressed. However, "we have a clear outlook of the situation and are fully confident in the people and their unyielding struggle to realize their aspirations and reach historic objectives; we will redouble our efforts to rescue and strengthen national sovereignty and to reach a patriotic solution."

Regarding this issue, the SALPRESS-NOTISAL news agency sent us this news dispatch datelined Mexico City. The core of the dispatch states:

Mexico City, Federal District, October 1987 (SALPRESS-NOTISAL)—The FMLN/FDR alliance today said President Jose Napoleon Duarte could use the third dialogue with the Salvadoran insurgency for electoral purposes and to step up the war.

In a communique released in this capital, the rebel fronts state that the agreement to establish two commissions reached at the 4-5 October meeting in San Salvador "is only a fragile consensus among the components of power," which does not attempt to touch upon the basic issues.

The document points out that "to Duarte, the established commissions constitute a formality that would allow him to say that he has fulfilled a commitment he made by signing the Esquipulas II Agreement."

In the same vein, the third dialogue meeting could be used by the two PDC presidential hopefuls in the 1989 elections—namely by Adolfo Rey Prendes and Fidel Chavez Mena—as electoral propaganda material.

Also, according to the communique, a failure of the two established commissions—namely the commissions for dialogue and for the resolution of other points relating to the Esquipulas II agreements—"would legitimize a stepping up of the war, which is already being prepared" by the Pentagon and the high command.

After evaluating the results of the talks, the insurgents suspect Duarte might manipulate the dialogue, but they gave assurances they will continue making efforts toward achieving specific agreements "leading to the patriotic, sovereign, and just solution needed and deserved by our country."

Honduras

'Subservience,' 'Dependency' on U.S. Rapped

PA220255 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 20 Oct 87

[Editorial by Rodrigo Wong Arevalo: "To Washington as Quickly as a Bird Flies"]

[Text] Honduran President Jose Azcona Hoyo is again in the United States where he is meeting top-level U.S. Government officials, following visits made by his area

colleagues, excluding Nicaragua. Azcona has followed the same itinerary that took them to Washington, where a smear campaign has broken out against the goals of the Arias plan.

The plan was accepted in Guatemala as the Esquipulas agreement and was idealized by most Central Americans as the most appropriate framework to consolidate peace on our beloved isthmus.

Guatemalan President Vinicio Cerezo, Costa Rica's Oscar Arias, and El Salvador's Napoleon Duarte have already traveled Washington's backstreets, invited by the U.S. President, who has been unable to hide his intentions of obstructing the Esquipulas accords, which are nothing more than the Costa Rican president's proposals, which have recently gained him the highest possible recognition.

The meeting of the Central American presidents with the U.S. President should not surprise us because, as Jaime Rosenthal Oliva has already said, Honduras' and the rest of the Central American countries' relations are with and should be with the United States. This is a natural consequence of the geographical proximity that joins us with that great country, since both Honduras and the United States emerged as countries sharing the same continent.

The differences the Hondurans have with the United States with respect to their relations are due to the way some U.S. administrations have treated us. In Central America the hope is cherished of being treated fairly and in a dignifed manner by a great country we have respected and admired, and of which we only ask that it respect us as good friends should do. Unfortunately, the Honduran governments themselves have contributed to or have forthrightly brandished the flag of subservience, frightening even the Americans themselves with the incident that happened only 5 years ago: In violation of the Honduran Constitution a portion of our territory was allocated for the training of Salvadoran soldiers, without El Salvador having made any demands, but to please the U.S. Government, which had applied pressure on our previous administration to agree to the installation of the famous Regional Military Training Center.

When one gives in to this type of pressure, in violation of our country's Constitution, we earn the scorn of our allies who know that obtaining Honduras' fullest cooperation is the easiest thing in the world and that there are plenty of citizens and government officials here who will risk their lives to hand over their country's sovereignty in order for it to be directed from other areas of the continent, with orders and directions that are anathema to the interests we Hondurans should have.

One hears daily the argument that we Hondurans should arm ourselves to the teeth because here in our own country we are fighting an ideological war about which one should strenuously take sides. We take the side we are told to take by the North, even though neither side, and much less the war that is used as an excuse, benefits us or is to our liking.

The trips made by the Central American presidents are interesting to note: When they maintain a high level of dignity in their talks and when our treatment as vassals is rejected, because it does not correspond to treatment extended to friends, then we shall welcome these trips to Washington.

The Honduran president has been bitterly criticized because when he grants interviews to reporters from the large U.S. television networks, newspapers, and magazines, his most frequent questions deal with the situation of the Nicaraguan armed groups, whose presence in our country no one except the Honduran Government denies. Even the government admits to their presence when President Azcona says the contras will be in Honduran territory until such-and-such a date, thus admitting what has been denied for so many years.

All these difficulties we are facing are obviously due to the order that the U.S. President sends from Washington and is obeyed with a misguided loyalty rendering us dependent. This dependency is of our own making—through a policy of surrender that is misunderstood by other governments.

We often hear that no one understands the Germans, Spaniards, Greeks, and other European countries criticizing the U.S. presence in Central America while they have U.S. strategic military bases in their own territories, taking away their right to call us occupied countries. This is partly true. One must understand, however, that those arrangements are the result of lengthy negotiations between those countries and the United States.

Even though the FRG and Spain are within the Western orbit and maintain U.S. alliances, those countries have not stooped down and allowed U.S. abuses in their territory. In both cases the United States has needed the people's consent and has had to wait for parliamentary and the people's approval, involving years of intense and in-depth negotiations, which has permitted respectful treatment. This is as it should be, even in the case of small countries such as ours.

Building a U.S. base in the FRG or Spain has not come cheap to the United States, the same way it has cost it to have a base in the Philippines, even though it may be a key defense point for that territory. Let us make no mistake. Even though our relations are based on logic and result from a variety of reasons, our relations with the United States, as Presidential Designate Jaime Rosenthal has said, must be based on dignity and negotiation, allowing Honduras to raise high the staff of its sovereign dignity. However, in our case it has been the

Honduran presidents who have given in to the slightest pressures, who have ended up accepting all that Washington wants, without the Honduran side raising any questions.

As a result of this misguided allegiance, we have fallen into the submissive position the Honduran Government now finds itself in. If there is anyone to blame, it has been the ineffective presidents who have gradually given in to everything, to the point of allowing the roving ambassadors to tell us what our foreign policy should be and everything we should do.

President Azcona's current visit should not entail this unnecessary submission, particularly if the United States plans to ask our country to not comply with the Esquipulas accords. Based on the Arias plan, these accords have been backed by a number of nations as a suitable instrument to consolidate peace in Central America. Azcona's trip to Washington should not be used to increase this submission. The United States has the right to keep its position. Yet Honduras, however small its territory, is also genuinely entitled to maintain its sovereignty.

So we hope this trip will be different from the previous ones, during which, and without the remotest possibilities for negotiations, the country unconditionally accepted the most opprobrious impositions.

Nicaragua

Iranian Foreign Minister Continues Visit

Meets Nunez Tellez

LD211119 Tehran IRNA in English 1042 GMT 21 Oct 87

[Text] Tehran, Oct. 21, IRNA—Foreign Minsiter 'Ali Akbar Velayati in a meeting with the Nicaraguan parliament speaker, Carlos Nunez Tellez, Tuesday discussed expansion of Iran-Nicaragua relations and regional and international issues. The Nicaraguan speaker said that Nicaragua had closely followed up recent developments in the Persian Gulf, and is aware that U.S. intends to pressure the Islamic Revolution by aggression and military attacks such as it did on Iranian oil rigs in the Persian Gulf Monday.

Nunez Tellez suggested that Iran and Nicaragua work closely together in a bid to counter U.S. plots.

Dr. Velayati said that the U.S. started aggression against the Islamic Republic, but that as the Iranian Government has regularly repeated it will not leave any military operation unanswered.

Foreign Minister Velayati said that since the victory of the Islamic Revolution, U.S. Administration has launched out various abortive plots to counter it, and that at present it cannot fathom the consequences this open aggression will entail, said the Iranian foreign minister.

Joint Statement on Gulf

LD211135 Tehran IRNA in English 1125 GMT 21 Oct 87

[Text] Tehran, Oct. 21, IRNA—The Nicaraguan Foreign Ministry in a joint statement with Iran issued in Managua Tuesday condemned U.S. attack on Iranian oil rigs Monday and expressed concern over the the Persian Gulf crisis.

The statement issued while Iranian Foreign Minister 'Ali Akbar Velayati is visiting Nicaragua said that continuation of tension in the Persian Gulf poses a grave threat of international peace and security.

The statement warning the U.S. Administration and calling for termination of its provocative acts in the Persian Gulf urged the international community to find honourable ways for easing the tension.

Meets With FMLN Official

LD211336 Tehran Domestic Service in Persian 1030 GMT 21 Oct 87

[Text] Our next report is about a meeting yesterday between our country's foreign minister and a representative of the Farabundo Marti National Liberation Front in Managua. The front is fighting against the El Salvador regime.

Last night, a representative of the FMLN met with Foreign Minister Velayati at his residence in Managua. During this meeting, the FMLN representative referred to the U.S. aggressive policy in the Persian Gulf and Central America. He expressed solidarity with the Islamic Republic of Iran and condemned the U.S. attack in the Persian Gulf. He said: The Islamic Republic of Iran shares a common enemy with us and the problems created by the U.S. Government in the Persian Gulf and Central America are not simple problems. They all stem from a single policy, and we are engaged in a struggle against this policy of the U.S. Government.

Afterwards, Mr Velayati wished success for the combative people of El Salvador, and particularly the FMLN, in achieving their humane and independence-seeking aspirations. He said: We have always supported the independence struggle of the El Salvador people. We hope that in the near future the people of Central America and other Third World countries will, through their relentless and continuous struggle, achieve true independence to stop U.S. intervention in their internal affairs.

Confers With D. Ortega

NC220719 Tehran Domestic Service in Persian 0430 GMT 22 Oct 87

[Text] Our foreign minister, Mr Velayati, who is in Nicaragua, met at his residence with Nicaraguan President Daniel Ortega. The Central News Unit reports that during this meeting Mr Ortega spoke about the successful visit by our prime minister, Mr Musavi, to Nicaragua and emphasized the need to exchange delegations in order to expand bilateral relations. He also expressed hopes of being able to visit Iran at the first opportunity.

Mr Velayati discussed the common problems faced by the Islamic and Nicaraguan revolutions and the common enemy of both countries, and he described the exchange of delegations and experiences between the two countries as useful.

At the end of the meeting, Mr Ortega conveyed his greetings to our president, Mr Khamene'i, also inviting him to pay an official visit to Nicaragua.

Member on Work of Reconciliation Commission

PA220131 Managua Radio Noticias in Spanish 1200 GMT 20 Oct 87

[Report on interview with Gustavo Parajon Dominguez, Nicaraguan Evangelical Church leader and member of the National Reconciliation Commission, by unidentified reporter; date and place not given]

[Text] In consultation with the government, the National Reconciliation Commission may assume a mediation and negotiation role. Gustavo Parajon Dominguez disclosed that most members of the commission have received messages and questions from contra members. Here is Parajon, who is a leader of the Nicaraguan Evangelical Church and a member of the National Reconciliation Commission:

[Begin recording] [Parajon] In a way, the work required of the commission by the Esquipulas II Agreement—which is to verify [compliance with] the agreement—has not begun because verification will not take place until 5 November. Of course, all members of the commission are very pleased with the reopening of *La Prensa* and Radio Catolica, the return of the priests, the repeal of the law on confiscation of assets and property of those people who stay out of Nicaragua for at least 6 months, and, to a certain extent, the establishment of the cease-fire in certain regions of Nicaragua. All of these things are viewed as progress, as a process leading to full compliance with the agreements.

As members of the National Reconciliation Commission, we have been able to witness its formation, including the organization of alternates to form a coherent group working toward peace. We have been able to speak frankly about differences among ourselves, and we are looking for common objectives that can lead us to peace. The commission has had to perform additional tasks that are not specifically stipulated in the Esquipulas agreement, I would say, because of the anxiety and the deep desire the people have for peace in Nicaragua. We have asked the government questions about certain areas—for example, should the commission be a mediating or a negotiating body. This is being discussed. The government must respond to this.

In my role as an evangelical pastor and as a commission member, I have been approached by some contras who want me to brief them on the Esquipulas II agreement. They also want to know if the Nicaraguan Government is willing to comply with it. I basically believe the attitude of each commission member and, above all, the attitude of the government about fulfilling the Esquipulas agreement will be decisive. We are all very hopeful, and we believe the agreement will be fulfilled. I hope God may bless this process and that soon we may enjoy peace in Nicaragua.

[Reporter] Has the National Reconciliation Commission asked the government for any additional specific measures over the short term?

[Parajon] The commission suggested to the government that it lift the state of emergency, if possible, before 5 November. It has also asked the government to consider reopening the 22 radio newscasts that have been banned in the last few years. The commission has made these basic recommendations, and, in the next meeting, we will discuss how the Esquipulas agreement is being fulfilled in Nicaragua.

[Reporter] Could you tell us more about the negotiating and mediating role you mentioned earlier?

[Parajon] All members of the National Reconciliation Commission undoubtedly have received from some organizations and from the contras letters or questions about what is going on in Nicaragua regarding the Esquipulas II Agreement. According to the Esquipulas agreement, the role of the commission—as I mentioned earlier—is only to verify that the agreement is being fulfilled. However, there have been some discussions as to whether the commission should be a mediator or a negotiatior. Up to now we have not received a categorical response in this regard. We have been discussing this internally, and I have personally had the opportunity to discuss this with some people and have received letters, just as the other members of the commission have. Meanwhile, we have been informing the government about this so it will be able to make some decisions and to act accordingly. [end recording]

Communists Criticize Dialogue With U.S.

PA210236 Managua LA PRENSA in Spanish 17 Oct 87 p 5

[Reprint of article published in AVANCE, newspaper of the Communist Party of Nicaragua; no date given—quotation marks as published]

[Text] "The proposal to renew negotiations with the U.S. Government, in which the Sandinist government would safeguard U.S. imperialist interests in Nicaragua, is a return to the old system of resolving Nicaragua's problems in the White House."

"The Guatemala agreements represented a defeat for that policy because the solution [to Nicaragua's problems] became Nicaragua's responsibility—and it should be sought by Nicaraguans with a high spirit of democracy and patriotism—as part of the Central American agreement made by the presidents of Honduras, El Salvador, Costa Rica, and Guatemala.

"Instead of the national, democratic, patriotic, and Central American spirit that characterizes the Esquipulas II Agreement, the proposal for a dialogue with Reagan chooses foreign interference and—what is worse—offers a guarantee for U.S. imperialist interests in Nicaragua."

"A settlement and agreement with the U.S. Government represent goals that totally contradict the democratic and patriotic pledges made by the Central American presidents."

"The Sandinist government must abandon this type of proposal."

"The Communist Party of Nicaragua has constantly supported the establishment of normal relations between Nicaragua and the United States to consolidate peace, but this proposal cannot be a starting point for that."

"The proposal presented by the president of the Republic would have serious repercussions for the country's political life. The first effect would be to cast doubts on the government's decision to seek positive results through national dialogue. If the government says the solution to the conflict is based on a settlement with Reagan, then it is difficult to believe the government really wants to resolve Nicaragua's problems."

"We now see why all the political groups that cooperate with the Sandinist government have systematically refused to discuss during the dialogue the deep overall crisis that afflicts the country: they reject the goals of the nine-point proposal to attain a 'National Pledge for Peace, Democracy, and Nicaragua's Independent Development.'"

LA PRENSA Evaluates Peace Plan Process

PA210313 Managua LA PRENSA in Spanish 17 Oct 87 p 2

[Editorial: "First Evaluation of the Peace Plan Process in Nicaragua"—passages in all capitals as published]

[Text] We offer to our readers with utmost objectivity an evaluation of the Nicaraguan democratization process agreed upon in the peace treaty signed in Esquipulas.

1. FREEDOM OF EXPRESSION. Both in the case of *La Prensa* and Radio Catolica there has been total freedom and faithful compliance. However, freedom of expression will not be complete until ALL the radio newscasts that have been suspended are allowed to resume their programs, and until at least one television channel enjoys political freedom.

2. EMERGENCY LAW. This law, the abolition of which should have been the first step in the democratization process, is still in force. *La Prensa* itself finds its freedom of expression is curtailed because 16 of its most valuable employees will not return to Nicaragua because they do not trust a lawless government. The EMERGENCY LAW means that ALL Nicaraguans—even now that a peace agreement has been signed—enjoy no guarantees or liberties. Furthermore, regarding the spirit of the Esquipulas agreement, it is highly utopian and ridiculous to assume we will encourage the exiles or those who left the country as a result of dictatorial repression to return as long as that law—which supersedes all other laws—hangs over the entrance door to the country. Who will invest in Nicaragua under those conditions? Who will trust a government that does not offer any guarantees to the citizens? The emergency law completely blocks the possibilities for normalizing Nicaragua's political and economic life.

3. DIALOGUE. We all know how the national dialogue stands, hampered by a government that rejects the Conservative Party—which is one of the historical parties having much electoral support—and a branch of another respectable party, such as the Social Christian Party. The government also has refused to hold talks with independent and the opposition's professional and business groups, such as COSEP [Higher Council of Private Enterprise], CONAPRO [National Confederation of Professional Associations], CTN [Central Organization of Nicaraguan Workers], CUS [Confederation for Trade Union Unity], etc.—even though those groups are the best informed about the economic situation and have the real statistics on the people's distressing situation.

This arrogant and dictatorial attitude has not even permitted the participants in the dialogue to sit down and prepare an agenda. Who are we hurting with this stubbornness?

4. AMNESTY. It was very disappointing for thousands of families (we directly perceived this disappointment from our newspaper) when the vice president announced that those individuals who were tried by the special courts would not be included in the amnesty. Those partial [partidaristas] courts committed grave injustices by acting as juries, which we confirmed at the time with the lawyers and defense attorneys. If we want to give peace, tranquillity, and reconciliation to THE ENTIRE

Nicaraguan family, partial amnesty is more of a harmful instrument. We do not want—no one wants—Nicaragua's future to be the result of fear or hatred, but of fraternity.

5. CHURCH. Although Cardinal Obando y Bravo heads the National Reconciliation Commission, the government has not yet repaired its persecutory blow against the Catholic Church by permitting the return of 16 expelled priests (none of whom is facing any charges) or by returning to the curia its expropriated printing office. In addition, there have been attempts to manipulate the church. Instead of a peace mediator in the cease-fire, it will serve as an instrument for surrender, a role that the church resents as unworthy of its pastoral mission.

6. CEASE-FIRE. The Esquipulas accords have been rendered completely worthless regarding this point. The Esquipulas provision has been replaced with an abstract and impractical formula described as "partial cease-fires." These cease-fires not only fail to produce any effects, but constitute a deception. As Costa Rican President Oscar Arias commented, "Sooner or later, they will find out that the war has continued." The solution is left in the hands of each soldier to decide, instead of applying a normal, logical, and realistic solution: dialogue between the leaders of the parties at war or their delegates. Once an agreement is reached, a general cease-fire order could be given. What is the idea behind this unexplained delay that could ruin all of the Esquipulas efforts for peace?

To further aggravate the war panorama, at about the same date, the chief of staff called 35,000 new victims to serve in the obligatory military service, which they describe as patriotic but which is a call to arms to kill Nicaraguans. Peace is to be achieved by ending the war between the two parties, eliminating militarism, and preventing the current generation from becoming lost, from becoming a generation of robots or soldiers trained only to obey and exterminate. Proportionately, we already have Spanish America's largest army. Now, to achieve peace and reconciliation, we snatch from their homes 35,000 more boys of an age when they need most a civilized life, family, and culture. In no democracy in the world is peace achieved through such dreadful terms.

Finally, President Ortega said on television on 16 October that if Adolfo Calero, P.J. Chamorro, or Alfonso Robelo—all of whom belong to the Nicaraguan Resistance board of directors—arrived in the country to force a dialogue and were backed by Democratic or Republican representatives, he, Ortega, will send them to prison as soon as they set foot on Nicaraguan soil.

7. SOCIAL JUSTICE. During a television interview this week the vice president refused to consider the reparation of the injustices committed by the regime, including a return to a de jure regime and the creation of the trust necessary for production and investment. According to the vice president, the expropriations executed in opposition to the decrees issued by Sandinist laws themselves—expropriations for political reprisals, etc.—are not "irreversible," [as published] the word in the Sandinist lexicon that can least help achieve peace.

Saturday, 17 October 1987

Rice Ration Drops to Half Pound per Person

PA202144 Managua LA PRENSA in Spanish 16 Oct 87 p 8

[Text] It was learned today that the quantity of rice allotted to each person has decreased noticeably this biweekly period, inasmuch as only 1/2 pound of rice per person will be sold through the ENABAS [Nicaraguan Basic Food Enterprise—] ration cards.

The rice allotment has been decreasing throughout the year. At first, 2 pounds of rice were sold per person, and now it has been reduced to 1/2 a pound, which does not meet at all the basic needs of any family.

Meanwhile, the price of rice on the free market has risen to very high levels. One pound is being sold for 3,000 to 4,000 cordobas, depending on the quality.

For several weeks now there has been no rice available at the CAT's [Workers Supply Centers] and supermarkets. When the so-called free supermarkets—where any citizen could make his purchases—first opened, the shelves were filled with products.

How about the rice donations? It was believed we could survive last year, but it is evident that something went wrong. The regional delegate from MICOIN [Domestic Trade Ministry] and the deputy delegate were not in their offices to give any explanations about this.

We were told that the officials at the MICOIN regional offices are the only people authorized "to speak," and that—in any case—we could say what we wanted, to see if they could do something about it.

Panama

Esquivel on National Dialogue, Media Bill

PA162237 Panama City Circuito RPC Television in Spanish 2300 GMT 15 Oct 87

[Text] Vice President Roderick Esquivel was interviewed on the country's situation and the Liberal Party's position following the government's rejection of the party's recommendations.

[Begin Esquivel recording] The Liberal Party does feel a bit frustrated and disappointed because we believe the national situation has deteriorated greatly. A few months ago we proposed a national dialogue based on listening to all the groups that are constantly airing grievances. We believe the ways to resolve the country's problems are

simple; we do not believe they are complicated or revolutionary. They are based on simple respect for the dignity of others and a strong sense of democracy and justice. Sooner or later we will resolve our problems, but the sooner we do so the better we will all fare. When I say all, I mean all Panamanians: government, opposition, and independent groups. The situation has deteriorated too much, and it will be much more difficult to set the bases for a sincere dialogue as the Panamanian family is badly divided. We should not wait for a crisis that will frighten us before we take action. We must do so now, but we must do so with justice and not with a triumphant attitude on either side; we must do so with reason and not with power; we must do so with logic and without any kind of fear. [end recording]

Esquivel also commented on the media bill the executive branch sent to the Legislative Assembly:

[Begin Esquivel recording] I have very personal opinions on this subject. I believe Panama needs a media law. I believe this bill is needed because we do not have one and so a basic law can be implemented. We are basing all our actions on a series of decrees that can be interpreted in many ways.

However, I believe the text of the bill falls short. It insists on giving the executive branch responsibilities that belong to our system's judicial branch. This law should refer violations of the law to the judicial branch and not to the executive branch. According to this bill, the Ministry of Government and Justice is the judge, because it will judge and punish. This is mentioned in Article 10. I do not agree with this. I believe any violation of Panamanian law should be the responsibility of the judicial branch.

I and many members of the Liberal Party's freedom of the press commission do not agree with Article 12 of this bill. We want more freedom of the press. We want journalists to be able to exercise their profession with responsibility but with ample freedom to express their views. We believe journalists should ethically and legally be the ones responsible for the veracity and professionalism of their reports. In Article 12 of this bill, however, the newspaper owners, the journalists, and anyone—whether an individual or a firm—linked to the publication or dissemination of the report also can be charged for any violation a journalist could have made. This should not be because this limits journalists' freedom and the creation of more media sources. According to this law, even a newspaper seller who sold a newspaper containing slander is subject to penalties. This does not jibe with the democratic spirit of freedom of the press. I therefore believe the Liberal Party will oppose Articles 10 and 12 of this bill. [end recording]

Criticizes Press Censorship

PA210050 Panama City Circuito RPC Television in Spanish 2318 GMT 20 Oct 87

[Text] Vice President Roderick Esquivel today said there should be no censorship on freedom of speech. Esquivel made this statement during a dinner at the Kiwanis Club:

[Begin Esquivel recording] The true Liberal seeks freedom through a de jure regime. We call it democracy. In a democracy there are rights we—because of our upbringing and ideological commitment—consider unalienable. The right to dissent is an unalienable right in a liberal democracy. He who persecutes a man or a brother just because there are differences of opinion, Voltaire said, is a monster. Freedom of speech is another unalienable liberal principle. Sometimes we dislike excesses in freedom of speech, but, as President Oscar Arias recently said, we would prefer to tolerate excesses than to have censorship.

We were not surprised to see a man who thinks like that receive the Nobel Peace Prize. Censorship is not only an evil thing, but it is inadmissible in democracy. All democratic people know the enemies of freedom of speech are fearful men. They fear the truth, because when there are free communications media, a Boston newspaper director once said, the reader will find in the editorial seafood his favorite clam—the truth. We must stick to the truth. Truth is the strength of people.

The champion of nonviolence, Gandhi, called it by a name he coined: satyagraha, truth as strength. I am the vice president of the Republic, but I am also the president of the Liberal Party. My liberalism is not a matter of a label; it is a matter of ethics. The party is a member of UNADE [National Democratic Unity], and through me the party has voiced all the recommendations that you know. We have publicly advised the president to establish the bases for a national dialogue. Those bases can be none other than reinstating the people's liberties and a general political amnesty. This stand by my party and myself has resulted in the enmity of some people who hold power in this country. [end recording]

When backing his stand on the 1989 elections and opening the path for dialogue, Vice President Roderick Esquivel said:

[Begin Esquivel recording] What we have to do is [words indistinct] to hold a dialogue, but not adopt a forceful stand. I believe Panamanians have shown this is what they want. In all stable democracies there are good presidents and there are bad presidents. There are nice presidents and there are nasty presidents. However, the process of democracy itself gives a country the opportunity to change and seek the president it wants. That is why I think we must emphasize the rules of the game with which we went to the polls. [end recording]

Abadia: No 'Sacrifice' for Better U.S. Ties
PA211651 Panama City Circuito RPC Television in Spanish 1730 GMT 20 Oct 87

[Interview with Foreign Minister Jorge Abadia Arias by news director Julio Miller; date and place not given—recorded]

[Excerpt] [Passage omitted] [Miller] Mr Minister, how would you describe U.S.-Panamanian relations?

[Abadia] I have already described them. A few days ago I said U.S.-Panamanian relations are not at their highest point. We would like them to be better. Problems in relations happen; this is not the first time. Since we are partners in a business as important as the canal, we are very close to one another; we understand each other; we live together. I believe friends who live together are the ones who have the most difficulties, the ones who clash with each other the most. This is not surprising—it has happened before—but we trust that the United States, like Panama, wants better relations. Panama is willing to seek an improvement in relations as long as the United States does the same. I believe there are indications of this already, but it is too early to expect a quick improvement.

Panamanians want a quick improvement in relations, but we will not sacrifice our dignity, sovereignty, or right to create our own future. We will not sacrifice any of this to improve relations with the United States. We are willing to walk any path, but we are not willing to surrender our sovereignty. The United States understands this, I believe, because the Americans feel the same way about their country's sovereignty. It is easy to understand the dignity of another nation when one claims to be dignified.

UNADE Parties Vow To 'Confront Sedition'
PA211938 Panama City CRITICA in Spanish 21 Oct 87 p 2

[Text] The political parties comprising the National Democratic Union, UNADE, yesterday announced they will not allow any attempts by seditious groups to subvert constitutional order or to create terror and unrest in the country.

"As of this moment the parties comprising UNADE will be on alert in response to those who intend, by following foreign dictates, to create chaos and divide the nation to impose a puppet government. This puppet government would support a revision of the Torrijos-Carter Treaties, thus avoiding the U.S. obligation to withdraw both its civilian and military personnel from the canal by the end of the century and turn the canal over to Panama. The submissive government in question would also participate in the policy of aggression against Central America," UNADE asserts.

The UNADE parties also express their support for President Eric Arturo Delvalle's constitutional government and for all the measures it has adopted to preserve order and guarantee the safety of people and institutions.

The UNADE parties specify that their state will include party activities such as peaceful demonstrations, activities with the masses, meetings, statements, and activities that will be carried out by all of the provincial directors. These activities will reveal the UNADE parties' and the people's firm decision to confront the sedition until it has been defeated, thus ensuring that from now on political differences will be resolved among the Panamanian people, without foreign intervention, and through the means established in the Constitution and the Republic's laws.

Details on People Arrested at PAPO Office
PA211851 Panama City CRITICA in Spanish 21 Oct 87 pp 1, 39

[Report by Carlos J. Nunez L.]

[Text] Members of the so-called Popular Action Party, PAPO, were arrested yesterday by the authorities after neighbors on 46th Street in Bella Vista complained that they were disturbing the peace.

At PAPO's headquarters (at the corner of 46th Street and Via Espana) several people were using loudspeakers to incite violence. When the police arrived they found a large quantity of leaflets calling on people to disrupt public order, set buildings on fire, and cause all sorts of vandalism on 22 October.

Critica has learned that those arrested are PAPO leader Roberto Arosemena, Enrique Herrera, Domingo Gonzalez, Ernesto Vega Jaen, Jose Blandon Jr., and Francisco Gomez.

Some of the people arrested have a history of calling for violence over the radio and during rallies and are repeat offenders.

Two Chilean citizens were deported yesterday by immigration officials after it was proved they had participated in the subversive plan to create chaos and total disorder on 22 October and to kill many innocent people.

The deported Chileans are Rein Blumenberg and Ana de Blumenberg, who are experts in creating a psychological attitude of anger and emotion, as well as collective hysteria, among the people.

The Blumenbergs were put on a plane and sent back to Chile, as specified by the current immigration laws.

The information provided by the Blumenbergs permitted the authorities to learn more about a network of other foreigners from several countries involved in the subversive criminal actions planned for this Thursday.

At the offices of PAPO—which is trying by all means to maintain strong links with groups in the Penonome area to carry out violent actions in the streets—the authorities also arrested Niurka de Arosemena, Maria del Carmen Alfaro de Villajeliu (coordinator of the seditious people in the provinces), and Alberto Villajeliu, who, together with other people arrested, will serve sentences for disrupting public order.

According to the documents seized by the authorities, the plan to provoke chaos in a number of places in the country and in Panama City includes erecting barricades and setting vehicles on fire in some streets.

Marked on a map of Panama City seized a few days ago from the so-called "Civic Crusade" were some points in the city where the Crusade would disrupt the security forces so they could not maintain public order and so the Crusade could then kill innocent people, set public and private buildings on fire, and create disorder or a "no man's land."

Background [subhead]

It should be recalled that the details of the subversive plan were given by Mr Pelayo Arturo Lyma Young, a militant of the PDC [Christian Democratic Party] Colon branch, who along with other people was tasked with creating chaos and finding a way to have innocent people die in a crossfire between snipers.

Pelayo Lyma made it clear that the PDC leadership, including Ricardo Arias Calderon, Guillermo Cochez, and Ivan Romero, gave the order to implement the plan of chaos and death.

The MODELO [Local Democratic Movement] Group [subhead]

Meanwhile, Gabriel Lewis Galindo, a stateless person (who is a relative of Ricardo Arias Calderon) who from the United States cosponsors subversive activities, has said that "on the 22d we will have our last chance" and that there must be all sorts of provocations to create an international image harmful to Panama.

CIA Coordination [subhead]

Meanwhile, the detected by the state's security organizations in coordinating the various wealthy and aristocratic groups that want to secure political power through violence and without free elections. [sentence as published]

Various CIA agents who belong to parapsychological religious, "cultural," and business groups have been openly dedicating themselves to giving advice to the coupists.

Some CIA links are Alberto Conte, Wilfi Jimenez, and others.

People such as Sergio Rodriguez who have ties with shadowy underworld figures linked to drug trafficking and who are deeply committed to aiding the antinational subversion belong to the same network.

Mercenaries [subhead]

Ernesto Gonzalez de la Lastra, on the payroll of the Eisenmann brothers; Antonio Tony Dominguez, who is involved in several cases of fraud in the Social Security Bank and who has a joint bank account with Dr Arnulfo Arias Madrid, using money that should have been used in the last election campaign, thus cheating Jorge de la Guardia, who is helping to organize the 22 October events from the United States; and Alberto Boyd Jr., who now is at the head of CONEP [National Council of Private Enterprise], belong to another group of people linked to violence and chaos.

Relatives [subhead]

Most of the leaders of the PAPO-PDC-MODELO-CIA-mercenaries movement have one common characteristic: they are relatives; that is, they have family ties and manage big businesses in and out of Panama.

'Instability' 'Greatly' Affects Construction

PA220104 Panama City Telemetro Television in Spanish 2300 GMT 20 Oct 87

[Text] Alberto Aleman, vice president of the Panamanian Chamber of Construction, CAPAC, has reported that the climate of instability in the country has led to a difficult situation for the construction industry, which in the past 3 months has experienced an increase in unemployment and recession.

[Begin Aleman recording] In the past 3 months the construction industry has been greatly affected by current Panama problems. It has been affected by suspension of bank credits, freezing of funds, and nonprocessing of mortgages. This is reflected and will continue to be reflected by a high unemployment rate in our industry and by a recession in an industry that had been experiencing a strong recovery and that was a pillar of our economy. This is also going to affect the related industries involved in the production and sale of construction materials. Therefore, even though the impact of this situation has not been felt yet, it will be felt during the rest of the year and in the beginning of 1988. [end recording]

Argentina

Growing Cooperation With Soviets Criticized

PY202210 Buenos Aires LA PRENSA in Spanish 17 Oct 87 pp 1,4

[Column by Daniel Lupa: "Behind Scientific Appearances"]

[Text] The growing Argentine commitment to countries of the Soviet sphere of influence, and the ambiguous Argentine attitude—sometimes even more than ambiguous—toward Latin American problems have peaked with the upgrading of Argentine relations with Moscow and the purposeful approaches to Nicaragua and Cuba. The visit between a high-ranking Nicaraguan official and Alfonsin a couple of months ago demonstrated the readiness with which Argentina steps in to help Nicaragua's pseudo-communist government. The aid has included oil, something in which Argentina has been showing deficits; expensive diplomatic support; and, above all, the support extended to Nicaragua via radio and television—broadcast over Channel 13, Channel 9, and Radio Belgrano—to influence domestic audiences.

The progress of negotiations with the communist tyranny in Havana brings to mind rather clearly the drafting of a plan similar to the one Foreign Minister Caputo drafted for the country in January of last year. It included six agreements signed with the Soviets in Moscow, through which an average of 1.7 "cultural," "scientific," "technical," "commercial," and "political"—why not; perhaps all of them are political—delegations have come from Moscow every day of the year, deluging the country with Soviet delegations. This happened on each of the 500 days preceding the arrival of Soviet Foreign Minister Shevardnadze.

According to the draft of a comprehensive "cultural and scientific" agreement between Argentina and Cuba, the strictly scientific section of the draft, which was under study until a few days after the 6 September elections, included a total of 140 programs covering a wide assortment of issues such as atomic energy, health, the sugar industry, date processing, agriculture, food, fishing, school science programs, patents and trade marks, packaging, statistics, home surveys, basic industry, energy resources, fuels, oil, nuclear power plants, electric energy systems, communications, light industry, etc.

The proposal was sent from Havana by Raul Taladrid, vice president of the Cuban State Committee for Economic Cooperation, for discussion by the Cuban-Argentine joint commission in September. The results of this meeting have not yet been divulged to the Argentine public.

According to unofficial reports—Foreign Minister Caputo has not yet reported on the issue—the proposal, which Argentina accepted and perhaps even broadened a bit, includes a visit to the country by some 110 Cuban "technicians and scientists," and a visit to Cuba by some 20 Argentine scientists and technicians.

Besides the visits, the proposal also includes 60 joint seminars, and exchanges of information on such topics as nuclear energy, psychiatry, genetics, automation, and industrial projects involving several hundred Cuban scientific officials and several dozen Argentine scientist and technicians.

Cuban technicians are abundant in Nicaragua and Angola today. Programs for dissemination and teaching of scientific items opened the doors to the Cuban presence in half a dozen African countries. Today these countries view with pessimism the decision to continue these "exchanges" because of their political effect and their penetration in the economic field. The Cuban economy, to some extent, has sought to improve its performance by resorting to processes that are more advanced than those the Soviet Union has used in some European countries.

Countries with a technological level far below that of Moscow which sign agreements with Havana have regretted the presence of the Cubans. Under cover of the agreements and commitments to teach host country officials or receive instruction from them, the presence of the Cubans makes the host country nationals the targets of Soviet designs, and opens the way for other political purposes.

What happens on the international scene is that those Cuban "technicians and scientists" usually follow the trend and the course of the Soviet travelers. This happened at the beginning of the Sandinist tyranny in Managua, and in Libya and Angola—thereby strengthening a military or imperialist presence—and near southern Africa, where they were admitted.

The discreet Argentine negotiations with Havana follow Dr Alfonsin's visit to Cuba and his strengthening of ties with the Castro tyranny (it must be recalled that the Argentine president had just received a substantial international human rights prize). After he departed Cuban territory, not a single remark came from his lips concerning the tens of thousands of political prisoners in Cuba under Fidel Castro's terrorist rule, nor were such remarks uttered subsequently.

The largest group of "scientists and technicians" Castro intends to send to Argentina are assigned to one program: atomic energy. Seventeen out of a total of 110—a little over 14 percent—are assigned to the atomic energy program. Six "scientists and technicians" will cover the area of prospecting, training, and the handling of radioactive materials; another five are assigned to radiology and nuclear security; and six are assigned to radiochemistry and radioisotope production.

The largest group of the Argentine delegation to Cuba will in turn be assigned to teach about atomic-related matters through seminars and conferences. Four are assigned to prospecting and training, one to radiology and nuclear security, and three to radiochemistry and radioisotopes. Will the government supply the name and background of each of the Cuban citizens that will come to Argentina for the above-stated purposes so the public can see their qualifications to attend such courses? And considering the political system in force in Cuba, will the government control the influence that might be exerted over Argentine professionals?

In principle, the number of topics involved in the negotiations and the number of people involved in the programs seem to greatly exceed the norm, when compared to routine relations with other countries. Considering the traditional friendship with these countries, the presence in Argentina of a country that has a security apparatus to control its own citizens might be a cause for concern.

These doubts come to the fore particularly because of the Soviet presence in a variety of sectors such as energy, fishing, or the free access to the Atlantic Coast—followed closely by the Chinese, first through cordial negotiations with Cafiero [Buenos Aires governor-elect], and second through the recent official visit of the PRC vice president [as published] to meet with officials of Alfonsin's government. Soviet "artistic" groups, "commercial" missions, "sports" delegations, and other Soviet "messengers" continously promote the presence and, above all, the camouflaging of the Soviet apparatus in local sectors. The first moves in Moscow in January 1986 seem to have designed the wide banner that we see spreading without resistance over the country just as the Nazi emblem closely followed the "innocent" German travelers and "tourists" of Hitler's regime.

Yugoslav President's Visit Previewed

PY211433 Buenos Aires DYN in Spanish 2104 GMT 18 Oct 87

[Text] Buenos Aires, 18 Oct (DYN)—Considering the list of topics to be studied here by President Raul Alfonsin and Yugoslav President Lazar Mojsov next week, we can conclude that Argentina will help construct and supply fuel to a nuclear plant in Yugoslavia. Argentina will thus become the first South American country to take part in such a project in Europe.

"My country must build an atomic plant and we are very much interested in having Argentina participate in the project. We are very interested in Argentine achievements regarding nuclear fuel and technology," Yugoslav Ambassador Filip Matic told DYN.

Mojsov, SFRY president, will arrive in Buenos Aires for a 48-hour official visit on 25 October. Mojsov, who will be heading an important delegaton of high-ranking government officials and businessmen, will tour Latin America and the Caribbean. Ambassador Matic, who was accompanied by First Secretary Luka Mesrovic, told DYN during a long interview that the Yugoslav delegation will come to Argentina to study mechanisms to increase bilateral trade, which currently amounts to some $10 million a year.

"The sum of $10 million is not much and our countries, which share similar opinions regarding international problems and also share common problems such as the foreign debt, can implement several projects together. I think it is time to intensify our cooperation," Matic said.

The two Yugoslav diplomats said that Argentina and Yugoslavia have "concrete possibilities" for increasing bilateral trade in such fields as nuclear energy, fishing, construction of deep-sea fishing boats, petrochemicals, turbines for hydroelectrical dams, and equipment and techniques for the modernization of railroads.

Argentine and Yugoslav commissions met in Buenos Aires last year, and in Belgrade recently, to analyze and reach agreements on possible measures aimed at fundamentally renewing Argentine-Yugoslav trade. The conclusions reached, however, will have to be decided on by Alfonsin and Mojsov during their talks here in Buenos Aires.

Ambassador Matic explained that the Yugoslav Government intends to construct a new atomic plant, and that "there are many possibilities" for Argentina, a country "whose nuclear technology is more advanced than ours," to participate in the construction of the plant, and "supply our nuclear fuel."

Answering a question by DYN, Matic admitted that in order to reach agreements in this field, "certain difficulties" must be overcome. He said there are some difficulties because this will be the first time in history a South American country may help construct a nuclear plant in Europe. He explained that "these difficulties" are posed by opposition from Yugoslav youth.

Secretary Mesrovic said that after the accident at the Chernobyl nuclear plant in the USSR, "young people worldwide were very shocked." He added that the Yugoslav youth, who "are very organized and have great influence, firmly reject" the construction of a new atomic plant.

Yugoslavia, which is burdened by a foreign debt of approximately $19 billion, has an area of 255,804 sq km; a population of 22.5 million (according to a 1981 census); and a diversified economy with major agricultural, livestock, textile, steel, and petrochemical industries.

The delegation that will arrive on Sunday afternoon will be comprised of Federal Executive Council Vice President Milos Milosavljevic, Foreign Affairs Federal Secretary Raif Dizdarevic, Federal Economic Chamber (ministry) President Milan Pavic, and directors of

Yugoslavia's major exporting companies. On 26 October, President Mojsov will meet with President Raul Alfonsin to analyze bilateral exchanges, disarmament, world peace, the Central American situation, the agenda of the upcoming Nonaligned Movement sessions, and the foreign debt issue.

Caputo and Dizdarevic will analyze foreign policy issues, particularly in connection with the Nonaligned Movement, the Group of 77 and the GATT—of which both nations are members. The economic issues will be addressed by Juan Sourrouille and Pavic.

Ambassador Matic said: "We are very much interested in the Argentine experience in the complex foreign debt issue, the need for a new world order, and North-South cooperation. Yugoslavia has stated that the indebted countries must join their efforts."

Even though the Yugoslav Government "does not intend to create a debtor club," Matic said, if the industrialized creditor nations "coordinate their policies and decide to increase the interest rate, it will be even more justified for the debtor countries, which bear the heavy burden of the debt, to coordinate their policies and defend their interests."

"It is not our government's objective not to repay the foreign debt," he said, adding that "the debt issue is a problem involving both debtors and creditors and, consequently, we should jointly find a just solution, because it would be unfair if just one side bears all the consequences."

President Mojsov will address Congress on Monday and will hold a news conference on Tuesday. In the afternoon, the Yugoslav delegation, the first of such a high level to visit Argentina, will depart for Mexico and Cuba.

Brazil

Government Leader Announces New Ministers

PY220020 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 21 Oct 87

[Text] Carlos Sant'anna, the government leader in the Chamber of Deputies, has just confirmed the names of four new ministers: Minister Renato Archer will be moved from the Science and Technology Ministry to the Welfare and Social Security Ministry. PMDB leader in the Chamber of Deputies Luiz Henrique will replace Archer as science and technology minister.

Deputy Prisco Vianna will replace Minister Deni Schwartz as housing and urban development minister. Borges da Silveira, PMDB deputy for Parana State, will become health minister. The name of the new education minister has not been confirmed, but it is almost certain that former Alagoas Governor Divaldo Suruagy will be designated to this post.

All new ministers are politicians who have won elections. Deputy Luiz Henrique, 46, is the PMDB leader in the Chamber of Deputies. He was first elected in 1974 as a federal deputy. Later, he was elected mayor of Joinville, and was recently elected deputy for Santa Catarina State.

Deputy Borges da Silveira, a physician, 47, was born in Lapa, Parana State. He began his political career in the old ARENA [National Renewal Alliance]. He then joined the PP [Popular Party], and today he belongs to the PMDB.

Deputy Prisco Vinna, 55, was born in Bahia. He has been a federal deputy since 1971. He has also served as secretary general of ARENA and of the PDS [Social Democratic Party].

Senator Divaldo Suruagy, 50, was born in San Luis, Alagoas. He began his political career as mayor of Maceio. He was twice governor of Alagoas; once by indirect vote, and again by popular vote.

Guimaraes Pleased

PY212355 Brasilia Domestic Service in Portuguese 2200 GMT 21 Oct 87

[Text]Deputy Ulysses Guimaraes, who serves as president of the PMDB, the Chamber of Deputies, and the National Constituent Assembly, today said the initial steps of the Cabinet reform please the PMDB. He added that this reform was necessary, given the end of the Democratic Alliance.

He said the PMDB is now closer to the government. [recorded passage indistinct]

Sarney Abolishes Land Reform Institute

PY220201 Brasilia Domestic Service in Portuguese 2200 GMT 21 Oct 87

[Text] President Sarney tonight signed some decrees in the Land Reform Ministry area. One of the decrees abolishes the National Institute of Land Reform and Settlement (INCRA).

According to Land Reform Minister Jader Barbalho, all INCRA powers have now been transferred to the Land Reform Ministry.

[Begin Barbalho recording] The president has just signed a few (?decrees) that are very important for the national land reform program.

In the first place, I must report that the president has just signed a decree-law, closing the INCRA and transferring all the INCRA rights to the Land Reform Ministry, in order to gain administrative consistency in the handling of the land-reform issue. This decree also creates the Legal Land Institute [Instituto Juridico de Terras—INTER], whose goal is to conduct legal procedures in the

land-reform area. It will conduct only the legal procedures. The INTER will handle the affairs that are now being handled by the INCRA legal department. [end recording]

Jader Barbalho added that 30 million hectares have been expropriated for 1 million families.

In addition, President Sarney has sent Congress a report that includes other measures to be implemented in the land reform program.

[Begin Barbalho recording, in progress] ... signed a report addressed to the national Congress, (?asking) it to authorize the issuance of 100 million agricultural bonds [titulos da divida agraria] equivalent to 500 million OTN's [National Treasury Bonds] to be used by the government in land expropriations from 1987 to 1991, in keeping with the Governmental Action Program. [end recording]

Rio, Sao Paulo Stock Market Values Plunge

PY200230 Brasilia Domestic Service in Portuguese 2200 GMT 20 Oct 87

[Text] The stock markets in Rio de Janeiro and Sao Paulo fell to their lowest levels in recent times. The Rio de Janeiro Stock Market suffered one of its greatest losses in the last few years: when it closed it had fallen by 13.8 percent, and on the stock exchange floor, the share values dropped by 12.7 percent. [sentence as heard].

According to information provided by the National Stock Market Commission the tendency of the Brazilian Share Index [Indice Brasileiro de Acoes, IBA], which reflects the average behavior of all the stock markets of the country, remained unchanged in relation with yesterday's index: It dropped by 14 percent as it closed. The average IBA reached 119.49 percent [number as heard] while it dropped by 14.5 percent as it closed.

Of the 72 companies comprising the IBA, the shares of 71 dropped, while only 1 remained stable.

The Sao Paulo Stock Market also fell.

[Begin report from Sao Paulo by journalist Marli Moreira] Sao Paulo stock market values fell by 16.30 percent today, while business volume reached about 1.9 billion cruzados. This was the biggest drop in the Sao Paulo Stock Exchange Market in the last few years, and it was caused by internal factors, such as expectations of an increase in inflation, but principally by the fall of the New York Stock Exchange.

Sao Paulo Stock Exchange Vice President Arthur Dias de Souza discussed the influence of the New York stock market fall on the Sao Paulo stock market.

[Begin Dias de Souza recording] Of course the foreign stock markets do not directly influence the Sao Paulo stock market, because the New York market climbed throughout the whole year, while the Sao Paulo market fell.

However, something special has happened in the international market and the New York stock market had its greatest fall since 1914. The U.S. internal problems have alarmed the entire world, even Brazilian investors, who immediately sold their shares. However, I believe this is a temporary crisis. [end recording]

Sao Paulo stock market Superintendent Horacio (Mendonca Neto) said there is a certain fear in the stock market regarding the new economic policy the United States might adopt that could harm Brazilian exports, and regarding (?the pressure exerted) by a reorganization of the world economy. [end report] Meanwhile, Namir Salek, Bank of Brazil Foreign Trade Department director, today said in Rio de Janeiro that if the New York stock market continues to fall, Brazil might not reach its goal of attaining a $9.7-billion surplus in its trade balance. Nonetheless, he said he hopes the fall in the stock market is temporary and will not have repercussions on Brazilian foreign trade.

CACEX, Bresser Comment on Wall Street Drop

PY211347 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 21 Oct 87

[Excerpts] CACEX [Foreign Trade Department] Director Namir Salek said in Rio de Janeiro yesterday that the Brazilian objective of reaching a $9.7-billion trade surplus this year might be jeopardized if the New York stock exchange drop continues. Salek expressed the hope that the drop will be temporary and that it will not affect international trade. [passage omitted]

Finance Minister Luis Bresser Pereira has said that the New York Stock Exchange drop has again shown that Brazil should continue to demand that creditors agree on a ceiling for the interest on the debt, so that any amount in excess of that ceiling would be automatically financed. The minister said that the main effect that the drop in the international exchanges will have on Brazil will be the increase of interest. Bresser believes that the drop reflects a recession in the United States.

Meanwhile, the drop in the main world stock exchanges yesterday prompted a 16.1-percent drop in the Sao Paulo stock exchange, the highest in the history of the Sao Paulo stock exchange. [passage omitted]

Aeronautics Minister on New Army Organization

PY212107 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Oct 87 p 6

[Text] Aeronautics Minister Brigadier Octavio Moreira Lima yesterday told *O Estado de Sao Paulo* and *Jornal da Tarde* that "those who are not satisfied with the loss

of control of the government should try to win it back through the democratic process, that is, the ballot boxes. The Armed Forces did not accept a departure from the constitutional order during the last presidential succession, and in no way will it accept a departure now."

Moreira Lima discussed the activities of right-wing radical groups and advised reporters not to worry about the possible participation of active duty officers in politics: "It is something that each branch should discuss, because in the last 2 and 1/2 years we have tried to avoid the intrusion of party politics into the Armed Forces."

Moreira Lima stressed that he did not have enough evidence to confirm the participation of active duty officers in demonstrations, or in meetings of radical movements. He nevertheless made it clear that he does not support such activities, which are also forbidden by regulations.

Regarding the participation of officers in those organizations—who have already been confirmed by other officers—Moreira Lima again stressed the Armed Forces determination to avoid the involvement of active duty officers in politics. "We have been working on this for the last 2 and 1/2 years. We can state that we have been largely successful because the cases that tarnish the behavior of the large majority of our military personnel are rare."

Moreira Lima clearly explained the stand of the Aeronautics Ministry as an institution: "Our military personnel, and I am speaking on behalf of the Air Force, are fully aware of their highly professional duties. They will not be, therefore, the object of interests, of manipulation, or of maneuvers to deviate the democratic process."

According to the minister, the Armed Forces "are identified with the democratic process, with the enhancement of the institutions, and with their professional education, which is also viewed as a common objective among Brazilian military circles."

Moreira Lima stated that "the legal democratic path is the only alternative—for the democrats—and must be viewed as an objective by those who try to gain control of the government, because beyond that there are only solutions that are not in accordance with democracy."

"This is the path to which I point to all those who want to reach power. The action of opposition groups is normal, but the only alternative to regain control of the government, through the democratic process, is via the ballots."

According to Moreira Lima, "some groups are trying to take advantage of the dissatisfaction which exists in the country, dissatisfaction resulting from the country's economic-financial situation. I do not believe in a destabilization of the government."

According to other officers who have assessed the action of groups opposed to the government, the main worry is the allurement of officers on active duty, the participation of radicals who already participated in past governments, and the attempt by members of these groups to involve the military ministers."

According to an officer serving in Brasilia, the action of groups challenging the government must be followed by the Armed Forces. According to him, there is no reason to minimize the hostilities expressed at the recent meeting of the Brazilian Association for the Defense of Democracy (ABDD), which was attended by military officers who played important roles during the Figueiredo government. The ABDD was criticized yesterday at a meeting of officers.

Daily Views Real Objective of General's Visit

PY211729 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Oct 87 p 6

[Text] Brasilia—More than an official visit aimed at promoting Brazilian-Arab relations, especially in the military and technological fields, is the visit that Army Minister General Leonidas Pires Goncalves yesterday began in Riyadh. It reflects the Army the Army's political interest in the successful performance of ENGESA's [Specialized Engineers, Inc.] Osorio tank in the $5-million [figure as published] call for bids to supply the Saudis.

After successfully passing through the prequalification stage, the Brazilian tank—in the opinion of the Army military advisers— will be able to win only if it receives the support of the Brazilian authorities. That is the reason for the minister's trip. Actually, for the tank—which features the most advanced technology—to win the competition is a matter of life or death. According to Army sources, Riyadh, which wants to modernize its squadrons, considers that the Osorio is among the best, ranking as high as the British, U.S., and French tanks. If the Osorio is sold to Saudi Arabia, the profits can be indirectly passed on to the Brazilian Army, which has so far been unable to buy the tank for itself. The simplest version of the tank costs $2.5 million.

The military maintains that the Osorio is a first-class tank that has not yet been exported only because of the market's internal difficulties. If the presence of Gen Pires is as decisive as it is expected to be, there will be immediate consequences: hard currency inflow, sophisticated technology development, and personnel training.

Libyan Foreign Liaison Secretary Arrives

Meets Sarney

LD210641 Tripoli JANA in English 1442 GMT 20 Oct 87

[Text] Brasilia, Al-Tomur [October] 20,*Jamahiriyah News Agency*—The Brazilian President Mr. Jose Sarney met yesterday the secretary of the People's Committee for Foreign Liaison Bureau.

In this meeting which was also attended by the secretary of the People's Committee for the Administrative by the organ of the great man-made river, secretary of the Libyan Arab People's Bureau in Brazil, Mr. Sarney has expressed that his country would like to develop the cooperation relations between the friendly countries at all levels. [sentence as received]

He, in the meantime, has stressed the constant stance taken by his country via-a-vis the Palestinian question and the support to the right of the Palestinian people in Palestine to establish its independent state.

Meets Foreign Minister

LD210647 Tripoli JANA in English 1702 GMT20 Oct 87

[Text] Brasilia, Al-Tomur [October] 20,*Jamahiriyah News Agency*—The secretary of the People's Committee of Foreign Liaison met yesterday in Brasilia the foreign minister of Federal Brazil.

During the meeting, relations and cooperation between both countries were discussed and an exchange of points of views was made on international matters of mutual interest.

Minister of Army Visits Saudi Arabia

For reportage on the visit of General Pires Goncalves Leonidas, the minister of the Army, including his meetings with King Fahd and Prince Sultan ibn 'Abd al-'Aziz, the Saudi minister of defense and aviation, see the Saudi Arabia subsection of the Arabian Peninsula section of the 21 October Near East & South Asia *Daily Report*.

Chile

OAS Discussion of Bolivian Issue Rejected

PY201342 Santiago Domestic Service in Spanish 0930 GMT 20 Oct 87

[Text] The Chilean Government will reiterate before the OAS the total incompetence of that organization to discuss the Bolivian sea outlet issue. This was stated by the Chilean representative, Javier Illanes.

[Begin Illanes recording] The Chilean position is very well known. We will reiterate our assertion that the OAS is totally incompetent with regard to discussing this issue. [end recording]

Illanes reiterated his concern about OAS discussion of the Bolivian aspiration, because Chile contends that such discussion is contrary to the organization's charter.

Regarding the OAS treatment of the human rights situation in Chile, Illanes said this year's report is much better than previous ones, because it recognizes the Chilean Government's positive steps to improve the situation. Illanes added that the main topic of the next assembly will be the Central American situation and an analysis of the Guatemala treaty, known as Esquipulas II.

Minister, University Rector To Retain Posts

PY212038 Santiago Radio Chilena Network in Spanish 1600 GMT 21 Oct 87

[By Eliana Henriquez from Government House]

[Text] Good afternoon. After meeting with President Augusto Pinochet, University of Chile Rector Jose Luis Federici confirmed that he will not resign his post.

Asked if the president had confirmed him in his post, the rector said: I remain as the university rector.

The interior minister, the education minister, and the minister secretary general of government also participated in the 1-and-1/2-hour meeting.

Federici said President Pinochet is concerned about the situation at the University of Chile, adding that the measures necessary to restore the activities at the University of Chile to normal will continue.

Federici added that the problems at the University of Chile are gradually and resolutely being solved. He said he reported this to the head of state.

Federici described his performance as University of Chile rector as good. Concerning the stand adopted by the deans, who said Federici's departure is required in order to solve the University of Chile's problems, Rector Federici said he has a different opinion. He added that, in order to overcome the crisis, the professors must give up some radical attitudes and fulfill their duties, and, in this way, normalcy will be restored. Asked if the semester can still be saved, Federici said the deadlines are approaching.

Education Minister Juan Antonio Guzman denied, before the meeting, that he had tendered his resignation. He added that it will be up to President Pinochet to ask him to resign whenever the president deems it appropriate.

Military Court Plans To Indict Students

PY212226 Santiago Radio Chilena Network in Spanish 1600 GMT 21 Oct 87

[By Juan Antonio Diaz from Valparaiso]

[Excerpts] In a few minutes, 5 of the 43 arrested students of the University of Valparaiso will be placed at the disposal of the Military Prosecutor's Office in Valparaiso. They have been charged with attacking Carabineros personnel.

The students have been identified as Patricio Bustos, a philosophy student; (Mauricio Oglavilier) and Eduardo Rojas, physical education students; (Alex Klutver), a music student; and (Carlos Deglomenelle).

According to a petition for protection filed for him, student (Alex Klutver) was arrested outside the premises of the University of Valparaiso. Eyewitnesses have reported that (Klutver) was wounded by a police dog while he was trying to talk to Carabineros personnel. [passage omitted]

In the meantime, a few minutes ago the University of Valparaiso released a communique, explaining its decision to permit the police forces to enter [the premises of the University of Valparaiso] yesterday.

The communique states that, in view of the irrational and anti-university behavior, the mechanisms provided for by a petition for protection filed by the Supreme Court to facilitate the free access of professors and students who want to attend classes were implemented.

Opposition To Seek Support for Elections
PY191347 Madrid EFE in Spanish 0401 GMT 17 Oct 87

[Excerpt] Santiago, 16 Oct (EFE)—The three top leaders of the national executive board of the Campaign for Free Elections in Chile will leave for Madrid tomorrow, where they will begin a 2-week tour of several European capitals.

They are Sergio Molina, Andres Zaldivar, and Ricardo Lagos, who head the first three organizations for free elections created in Chile. The three organizations recently merged into a single national committee.

Molina, a former finance minister in the Christian Democratic administration of Eduardo Frei (1964-70), heads the CEL (Committee for Free Elections); Zaldivar, former president of the World Union of Christian Democrats, heads the COPPEL (Political Party Committee for Free Elections); and Lagos, a member of the Socialist Party political commission, heads the CIEL (Committee of the Left for Free Elections).

According to Luis F. Alvarado, who is a spokesman for the Socialist Party—of which Lagos is also a member—the objective of the tour is to garner European support for and solidarity with the demand for free elections in Chile, elections that include several candidates and adequate press coverage. [passage omitted]

Communist Party Official Ordered Released
PY191516 Santiago EL MERCURIO in Spanish 6 Oct 87 p C-2

[Text] After questioning outlawed Communist Party member Alejandro Yanez Betancourt, Judge Hernan Correa de la Cerda of the President Aguirre Cerda appellate court ordered Yanez' unconditional release for lack of evidence.

On 4 October the Interior Ministry had filed charges of violating the state security law against Yanez with the San Miguel appellate court.

Interior Ministry lawyer Alberto Rios, who filed the charges, told reporters yesterday that Yanez was arrested by Carabineros on 1 October in front of the Comandari factory on Carlos Valdovinos Street for alleged disruption of public order.

On 5 October the 8th chamber of the appellate court stopped the proceedings in connection with a court injunction that had been filed on behalf of Yanez. The appellate court was made up of Judges Marta Ossa, Arnoldo Dreyse, and Alberto Echavarria. It was reported that the court decided to ask for a copy of the decree placing Yanez at the disposal of the Interior Ministry.

Communist Leader Named IU Secretary General
PY191556 Santiago EL MERCURIO in Spanish 6 Oct 87 p C-2

[Text] The United Left [IU] has introduced some changes in its structure. It confirmed imprisoned Socialist leader Clodomiro Almeyda as its president, and former Radical Senator Luis Fernando Luengo as acting president. The coalition also created the post of secretary general, which was entrusted to Communist Jose Sanfuentes.

The IU also decided to create a national council, to be coordinated by Christian Left leader Rafael Agustin Gumucio, and to create a "command of struggle for the people's demands and for free and democratic elections," which will be coordinated by German Correa, leader of the Almeyda faction of the Socialist Party.

Colombia

Uruguayan Daily Interviews FARC-EP Commander
PY212247 Montevideo LA HORA in Spanish 11 Oct 87 pp 4, 5

[Report on "exclusive" interview with Colombian Revolutionary Armed Forces-People's Army (FARC-EP) Chief of Staff Manuel Marulanda Velez, alias Tirofijo, by*La Hora* reporter Rafael Cribari in the Colombian mountains—date not given]

[Text] A few days before this interview was granted, Colombian Minister of Government Cesar Gaviria explained the position of President Virgilio Barco's administration regarding the rebel groups. Gaviria said these groups should "lay down their arms," to contribute to restoring peace. He said the Armed Forces would combat the guerrilla movement throughout Colombian territory. In Marulanda's opinion, this statement shows that "(government officials) are experiencing a crisis,

and have no new solutions with which to solve the crisis." Marulanda believes this is why "they make such hasty statements, which for us represent real declarations of war."

In addition to Minister Gaviria, Defense Minister General Rafael Samudio Molina, and Justice Minister Arias Carrisoza (who had to resign after the Conservative Social Party [Partido Social Conservador] and the Patriotic Union censured him in Congress) made similar statements in Congress in late September. "Tirofijo" emphatically said: "Regardless of what the ministers said, we believe there are still possibilities of continuing to conduct a real political struggle that unites and includes all Colombians, thus granting them the right to live and to make a number of changes that have been proposed since the La Uribe Agreement were signed on 28 March 1984. This door has not been closed," he emphasized.

The FARC commander said: "It is one thing to hear the ministers make such statements, and another to really have clashes. There might be several clashes but, even amid clashes, we may seek and find solutions that lead us to (peace) proposals."

Marulanda said he is in favor of "seeking solutions other than war." He said: "Colombians do not need wars," and wondered aloud: "What do we need wars for?"

"What we need," he said, "is to reach common agreements that will mobilize us; we then need to find out how to make this government heed the call of all Colombians." In Marulanda's opinion, the recent comments by government officials are dangerous, and tend to eliminate all possibilities of a dialogue. He said: "I think statements that amount to declarations of war are illogical. Apparently, some believe a fire can be put out by adding more wood to it; but the opposite is true, we must find a solution, a political solution," he said.

He said he was surprised at the attitude of the government officials, and added that he cannot understand "why they are closing all doors and making things more difficult for the people when there are several other possibilities of continuing our efforts for peace."

As an example of the continuity of this struggle, he said the fact that "peasants, students, workers, and several prominent individuals are participating in these efforts indicates that other solutions can still be found." He added: "the government, however might decide that it is not convenient to continue fighting for peace and that it is more profitable to declare war."

"Let it be clear, therefore, that we are not responsible for this declaration of war," Marulanda said. He added: "We are not interested in fighting a war, but we believe that, if the other doors are closed, we will fight them because we will have no way."

The guerrilla commander explained: "It is one thing to have dreams, and another thing to be interested in finding a civilized solution to this armed conflict that has lasted 23 years. A third thing, however, is to see the minister close all doors on us. Therefore, this decision is up to them," he said.

When asked about the alarming number of victims of the death squads (the Patriotic Union lost 470 members including senators, deputies, councilmen, and regional representatives; while the conservatives and liberals also had victims, but to a lesser extent), Marulanda said: "The dirty war was unleashed by militarism; with the purpose of banishing all national and regional leaders, regardless of party membership, who favor major changes in the country." He also said the purpose of the many crimes, committed with total impunity despite incriminating evidence, is "to silence and terminate leaders, and to deprive the masses of their leaders. This is why militarism commits murder; because it is easier to murder unarmed individuals who cannot protect themselves than to confront an armed movement."

"Tirofijo" insisted that "we must all unite to try to prevent this wave of murders with impunity of the leaders of the different parties." He stated: "It began with the FARC, the Communists, the Patriotic Union, and it has now extended to all parties. This means we must look for common ground, around which we can unite to face this policy carried out by militarism."

Analyzing the reason why the La Uribe agreements were not complied with, Marulanda recalled their main principles, and said: "Not 10 percent of what was agreed upon has been complied with." He said there currently is "a void," which began when the government failed to comply with the agreements. "The only good result, of which the people approve, is the fact that Congress approved popular elections for mayors (which will take place on 11 March 1988 in the 1,009 municipalities of the country)."

Nonetheless, he pointed out that "many other things remained unfulfilled, like an agrarian reform law, an urban reform law, and the lifting of the state of siege, which shelters all the paramilitary groups."

In another part of the long interview—which, together with much information and declarations by members of all parties, will soon be published in a book about the current Colombian situation—Marulanda was asked if despite the government's attitude, the FARC (now united with five other insurgent organizations under the Simon Bolivar Coordinating Board) is willing to establish a dialogue, he replied: "of course." "Many things have happened," he said, recalling: "We paid a high price in this peace process, the military operations were very costly for us, but we nonetheless think that despite the attacks, we will continue to insist to the people that there is a need to seek a different solution to the armed struggle."

He announced that the FARC will promise "all Colombians who wish to live in peace, and who seek alternative solutions to the war, that it will look thoroughly for a solution so that we can all unite and launch a great national electoral campaign to defeat militarism and allow the people undertake the changes through some means other than war."

Paraguay

Islamic Group Plans Agricultural Colony

PY211743 Asuncion HOY in Spanish 21 Oct 87 p 7

[All names as published]

[Text] Several Islamic families are going to undertake a multimillion-dollar investment plan in the Paraguayan Chaco region. The plan calls for an expanse of 100,000 hectares of land in Boqueron Department and can be compared with the plan that has been carried out by the Mennonites.

This initiative is being taken by the World Islamic Council [Consejo Mundial Islamico], whose top representative met on 20 October with President General Alfredo Stroessner to explain the future investment, which will be dedicated mainly to agriculture.

According to the organization's spokesmen, the colonization program will begin immediately through the Nueva Andalucia Foundation.

One hundred families are expected to arrive during the first year. These families will live in the neighborhood of Pedro P. Pena, the capital of Boqueron Department, which is located between Pozo Hondo and Santa Rosa.

The investment during the first stage will amount to more than $20 million. Directors of the foundation headed by Faudil Abadou, president of the World Islamic Council, gave a news conference at the Under Secretariat of Information and Culture, at which they stated that according to the plan the colonizers will carry out agricultural tasks, and that the produce will be exported to Islamic countries.

The Islamic group, which also includes Walid Beummouni, president of the Nueva Andalucia Foundation; Miguel Salvador Perez, its vice president; Elio Massagrande, its treasurer; and Blas Schembori, its secretary general, met on 20 October with President Gen Alfredo Stroessner and gave him a detailed explanation of the development plan they will implement in the Chaco, and they requested the government's approval to carry the plan out as soon as possible. The colonizers will be family groups of farmers, who will be accompanied by technicians, veterinarians, and engineers, etc. They will also bring agricultural equipment manufactured in industrialized Islamic countries.

They will mainly grow cotton and peanuts, two crops that grow very well in the Chaco.

They will also raise cattle and sheep to export to the same Islamic market. There is also interest in installing a fertilizer plant.

The group also indicated that for a year now it has been seeking a country in which to install a colony of Islamic families, and it has finally decided in our country.

Peru

Bank Nationalization Law Promulgated

PY201748 Lima EL COMERCIO in Spanish 12 Oct 87 p A 4

["Text" of Bank Nationalization Law No 24723]

[Text] The president of the Republic promulgates the following law following its approval by Congress:

Article 1: Public service activities performed by banking, financial, and insurance enterprises are declared to be of social interest, and the state reserves for itself the performance of such activities under the provisions of this law.

Article 2: The expropriation of capital stock shares of banking, financial, and insurance enterprises now in operation, except for those specified in this law, is declared to be of social interest.

The state is the beneficiary of the expropriation and the Economy and Finance Ministry is the active agent thereof. In that regard the procedure set forth in this law should be followed, and in cases where it is not provided for the procedure established in Legislative Decree No 313 and its regulation will be applicable.

Article 3: The expropriation is started through an executive branch resolution, cosigned by the economy and finance minister. Simultaneously, the state will report to the Central Bank the value of the expropriated assets as stated in the audited balance sheets of 31 December 1986, which were submitted to the Bank and Insurance Superintendency.

This value is considered as preliminary, subject to readjustment whenever the valuation of assets and liabilities is completed.

Article 4: The price of shares to be expropriated is determined by the value of those shares stated in the latest audited balance sheet submitted to the Bank and Insurance Superintendency. This price may be adjusted by the valuation of assets and liabilities and by the updated value of the shares to the date when the expropriation process begins on the basis of the applicable official price indexes.

If the net worth turns out to be negative, as the result of illegal or fraudulent acts by managers of enterprises affected by this law, the managers will be personally and in solidum under the obligation to restitute such losses or to assume responsibility for liabilities not covered by assets.

Article 5: The value thus determined constitutes the final assessed value of shares that replaces the preliminary value, and the shareholders will be paid in Peruvian national currency according to the official shareholder list existing on the date of the expropriation resolution.

Article 6: The nominal shares subject to expropriation under the present law are considered to be transferred on the date of payment of the indemnity, having been justly assessed under legislation in force according to provisions in Paragraph 2 of Article 43 of Legislative Decree No 313.

Of the justly assessed price to be paid to expropriated shareholders, deductions will be made to settle the following obligations:

a) Tax debts owed by shareholders, including interest, arrears, and fines.

b) Debts contracted by shareholders without sufficient guarantees from the enterprises affected by this law; and

c) Debts contracted by shareholders with associated and development banks which have fallen due.

Article 7: For reasons of national interest; because emergency situations that affect the banking, financial, and insurance activities have arisen; and in compliance with Article 132 of the political Constitution of Peru, the executive branch, as a measure of exceptional character, temporarily takes over the direct operation and administration of enterprises engaged in said activities.

The Economy and Finance Ministry, through an executive branch resolution, will designate the administration committees that will assume the authority and functions granted by law and corporation statutes to the board of directors, and will write minutes of such a designation with the participation of the Bank and Insurance Superintendancy, submitting a copy to the court authority that oversees the expropriation procedure.

For the duration of the emergency situation, the functions of the board of directors and the general shareholders board of each banking, financial, or insurance enterprise are suspended.

The functions of the administration committees will cease upon the completion of the expropriation procedure.

The Bank and Insurance Superintendency will exercise its control functions through representatives designated to the administration committees until the expropriation procedure is completed.

Article 8: The expropriation procedure referred to in this law will be at all times conducted in keeping with the provisions of the Section 7 of Legislative Decree No 313—General Expropriation Law—with the following modifications:

a) The expropriation suit is filed with the civil chamber of the appellate court, which will designate a secretary to proceed accordingly;

b) The period to accept or oppose the assessment and to designate appraisers by the parties to the action is 8 days as of the court notification date. The appraisers report must be sumbitted within 20 days;

c) The appraisers of the parties to the action will submit their assessment within 20 working days as of the date of their designation.

Should this assessment not be submitted, the notification referred to in Article 37 of Legislative Decree No 313 will be made 24 hours after the aforementioned deadline;

d) The nullification appeal of the appellate court ruling must be filed within 5 days after the ruling is made public;

e) The case portfolio will be submitted to the Supreme Court within 5 days after the presentation of the nullification appeal;

f) The deadlines for presentation of the appraisers' reports cannot be deferred.

Article 9: The president and members of the board of directors of each banking, financial, or insurance enterprise are elected by the general shareholders board in accordance with the General Corporation Law. The Economy and Finance Ministry will designate state representatives to general shareholders boards.

In addition to the members elected by the shareholders, the following representatives will be included on the board of directors:

—A representative of the enterprise's permanent employees.

—A representative of small- and medium-sized enterprises.

—A representative of depositors in the case of banking and financial institutions.

The director's representative of the employees will be elected by direct and secret vote of each permanent employee of each enterprise.

The depositors representative and those of the small- and medium-sized enterprise will be elected through the procedure to be established by this law's regulation.

The directors will excercise their functions for 1 year, and they may be reelected.

Article 10: The banking, financial, and insurance institutions to which Article 2 of this law refers continue to be private enterprises, with no limitation other than those imposed by their statutes and the legislation governing the private sector.

Article 11: The employees of enterprises referred to in the previous article will retain their job security and other rights, benefits, and obligations as set forth in the Constitution, the laws, and the corresponding collective bargaining contracts.

Article 12: In compliance with Article 53 of the Constitution, the state supports the creation of the workers bank, as well as the creation of banking, financial, and insurance institutions of a cooperative or self- managing nature. The executive branch is authorized to decree, within 180 days, measures conducive to proposing and working out norms to regulate their structure and operation, and the Bank and Insurance Superintendency is authorized to exercise its supervisory function established by law once such institutions are created.

Article 13: For the purpose of encouraging broader ownership of shares, the state will offer for purchase by individuals up to 30 percent of the capital stock shares of commercial banks operating nationwide, as well as of those of financial enterprises and insurance companies.

No shareholder may own a number of shares whose total worth surpasses 40 tax-base units in any institution of those mentioned in this article. In this regard, relatives by blood or marriage twice removed are considered as a single shareholder.

Article 14. The terms of this law shall not apply to the current stockholders of the agencies mentioned in Article 2, provided they meet the requirements set forth in the previous article. Within a 90-day period the current stockholders shall decide whether to keep their stocks or to sell them to the state or to private parties who have met the above requirements. Upon completion of the 90-day period the stocks shall be purchased by the state.

The terms of this law shall not apply either to the stocks the state directly or indirectly owns or to the stocks owned by social institutions.

Article 15. Regional banks, financial agencies, and insurance companies shall be opened in the regions that shall be established in keeping with the terms of the Law on the Basis for Regionalization. The stocks of such regional banks, financial agencies, and insurance companies shall be owned by private parties, and at least 30 percent of them shall be owned by the state. The regional banks shall sell their shares primarily in their own regions, in the manner that shall be established by the Bank and Insurance Superintendency.

The regional banks may open offices to receive deposits and savings and to operate as branches in the capital of the Republic.

The inhabitants of each region shall be the regional bank stockholders, and a shareholder can purchase only up to 1 percent of the bank stocks. Relatives by blood or marriage twice removed are considered as a single stockholder.

The state shall support the regional banks, financial agencies, and insurance companies through the implementation of a special system of incentives.

Regional banks, financial institutions, and insurance companies may not be opened in the Department of Lima and in the Constitutional Province of Callao.

Article 16. After the stocks have been transferred to the state, the stocks owned by companies that are neither banks nor financial or insurance companies—but part of such institutions because of investments made prior to the expropriation—may be put on sale to the public. An effort will be made to sell the stocks to the largest possible number of buyers and to give preference to workers.

Article 17. In keeping with the terms of Article 188 of the Constitution, the executive branch is hereby empowered to issue, within 180 days, decrees regulating the banking, financial, and insurance systems for the purpose of guaranteeing their efficient operation and their contribution to the decentralization and regionalization of the country, in line with the basic principles of this law.

Article 18. The executive branch is hereby authorized to contract a credit with the State Bank, through the Ministry of Economy and Finance, to make the compensatory payment established for the expropriated stocks.

The amount of the credit in local currency may reach 1 percent of the GNP in 1987 and 1 percent of the GNP in 1988. The credit will be repaid in 10 years and the interest on it will be 1 percent.

The Ministry of Economy and Finance shall repay the credit or credits granted to it by the State Bank with the following revenues:

a) The income from the sale of stocks referred to in Article 13 of this law;

b) The income from the issuance of bank development bonds, which are created by this article; and

c) The income from the dividends that the state shall receive in its capacity as stockholder of the enterprises referred to in Article 2 of this law, for as long as it is needed to repay the credits.

The executive branch is hereby authorized to issue bank development bonds for as much as is necessary to repay the credits mentioned in this article. Thourgh a decree, the executive branch will establish the amount of the issuance and the terms. The bonds shall be purchased by taxpayers in an amount proportionate to their income tax.

Article 19. Except for the cases covered by existing laws, regulations for the operation of multinational banks established in the country, and Decree Law No 18,351, no foreign banks shall be allowed to operate in Peru.

The branches of the banks headquartered abroad, in keeping with Decree law No 18,351, shall maintain their lines of credit with the state banks.

Under no circumstances may the branches mentioned by Decree Law No 18,351 accept savings deposits or become stockholders of national enterprises. Such branches may only receive deposits in connection with the lines of credit mentioned in the above paragraph.

Article 20. To the extent possible, the terms of this law shall apply to banks and financial agencies being liquidated.

Article 21. Law No 23,510 and all the other laws that oppose the current law are hereby repealed.

Article 22: The banking, financial, and insurance enterprises shall create a permanent fund to be used to train their personnel at universities and specializated centers in the country and abroad. Each enterprise is to prepare a general training plan in accordance with the needs of its personnel.

Article 23: In accordance with Article 154 of the Constitution, the state guarantees private savings. Consequently, this law does not affect the money, securities, and valuables owned by the people who use the public services of banking, financial, and insurance enterprises; the money deposited in safe deposit boxes; or the funds or trusts administered by the system to which this article refers.

Article 24: The state favors the creation of the bank of the Constitutional Province of Callao. Within 180 days of the promulgation of this law the executive branch will decree the appropriate provisions for the creation and operation of this bank. The state will have no less than 30 percent of the capital stock. In accordance with the policy of broad distribution of the ownership of shares, the remaining shares will be sold, preferably to Callao workers. No private shareholder can own more than 1 percent of the remaining shares.

This bank will sell its shares exclusively in the Constitutional Province of Callao.

Article 25: In order to comply with the goals of the policy of broad ownership of shares mentioned in Articles 13 and 14 of this law, the executive branch can choose one of the following alternatives in the case of insurance enterprises:

a) Comply with what is established in Articles 13 and 14 of this law; or

b) Expropriate no less than 51 percent of the total number of shares. The remaining 49 percent may be owned by the current shareholders. However, none of them can own shares worth more than 40 tax-base units.

Shares of foreign companies are among the 51 percent of the shares to be expropriated.

The deadline for selling the remaining shares is 90 days after the day when this law is promulgated. After 90 days the state must buy the remaining shares.

Temporary Provisions: The banks that on the day this law is promulgated have their headquarters outside Lima will have to comply with Article 15 of this law within 180 days of its publication.

The executive branch will determine the conditions for this compliance through a decree.

Complementary Provision: Articles 45 and 57 of the General Expropriation Law or Legislative Decree No 313 are to be strictly enforced. If a petition for amparo is filed against what is established by this law or by executive resolutions dictated because of it, the petition must be filed before the civil chamber of the appropriate appellate court. If the court upholds the petition, a civil judge will be appointed to hear the proceedings.

Once the petition is upheld, the court will set a hearing for briefings, if requested.

The parties may appeal the court's decision within 3 days.

If the petition calls for the suspension of a measure or action, the court's ruling can be appealed to the Second Civil Chamber of the Supreme Court.

In the event of circumstances not foreseen in this provision, the terms of Law No 23506 must be applied.

Final Provision: This law will go into effect the day after it is published in the official daily *El Peruano.*

This law is to be forwarded to the president of the Republic to be signed and promulgated.

Congress, Lima, 29 September 1987

Signed: Ramiro Priale Priale, Senate President

Luis Alva Castro, Chamber of Deputies President

Judith de la Mata de Puente, Senate Secretary

Carlos de la Fuente Chavez Gonzalez, Chamber of Deputies Secretary

To the Constitutional President of the Republic.

THEREFORE:

I order it to be published and complied with.

Government House, Lima, 9 October 1987

Alan Garcia Perez, Constitutional President of the Republic

Guillermo Larco Cox, Council of Minister President and Minister of the Presidency

Gustavo Saberbein Chevalier, Economy and Finance Minister

Venezuela

Salvadoran Government, Rebels View Cease-Fire

PA220204 Caracas Television Service in Spanish 0000 GMT 22 Oct 87

[Text] A cease-fire in El Salvador is one of the leading topics that government officials and Salvadoran guerrilla leaders, who are meeting in Venezuela, discussed today.

The first day of sessions between Salvadoran Government officials and FMLN political and military leaders was held at the Political Circle [not further identified] amidst strong security measures. The two sectors chose Caracas for this meeting, the second so far this year. The reasons for this site is, as the two sides said, that getting out of El Salvador eases tension. This meeting seeks to reach an accord to eliminate armed confrontation between government and guerrilla forces in El Salvador, a situation that has already done so much harm.

Through the Esquipulas accord, the area countries made a commitment to seek domestic peace, to establish peace in Central America. The accord set a deadline, 7 November, to establish a cease-fire, amnesty, and other commitments. The first meeting on this was held in El Salvador on 4 and 5 October. The second meeting is now being held. We have learned that eight people represent each of the two sides and that Archbishop Rivera y Damas is mediator.

Each of the two groups met separately during the morning. The two groups began their joint work in the afternoon. After much insistence on our part, and despite the refusal of security officials, we succeeded in interviewing Alejandro Duarte, Salvadoran presidential adviser, who said there is a climate of cordiality and that there is no tension. He also explained what appears to be a Salvadoran Government prerequisite to reaching an accord during this meeting.

[Begin Duarte recording] (?According) to the Esquipulas II peace plan, we are now here holding a dialogue in good faith and making good the accord signed at the nuncio's office by the president at a previous meeting. The government is in the best of dispositions to work. [end recording]

The results of this meeting will be disclosed on Friday. We will relay to you, listeners, any and all events that might occur tomorrow. As of 1900 local tonight, only the manner of discussion, measures, and the basis for the discussion of specific topics were agreed upon.

Guyana

Agreements Signed With African Countries

FL191446 Bridgetown CANA in English 1430 GMT 17 Oct 87

[Text] Vancouver, Canada, Oct 17, CANA—Guyana has signed trade, economic and technical cooperation agreements here with Zambia, Tanzania and Zimbabwe, Foreign Minister Rashleigh Jackson said.

He told CANA that an agreement was also to be signed with Botswana, when President Quett Masire pays a four-day official visit to Georgetown, beginning October 20.

Guyana is participating in the Commonwealth heads of government conference which ends on Saturday.

Jackson said under the accords, joint commissions are to be established which will meet regularly to review cooperation.

He said cooperation in the areas of training, particularly vocational and technical training, information exchanges and possibilities for trade would be pursued.

This demonstrates the willingness of the countries involved to actively promote South-South cooperation by taking practical steps to that which go beyond the

level of rhetoric, the Guyanese Foreign Minister said. For example, we might be able to learn from Zimbabwe which has made some advances in diversifying its sugar industry, he added.

He said the move to strengthen ties with the African countries resulted from visits last year by Guyana's president, Desmond Hoyte, to Botswana, Tanzania, Zambia and Zimbabwe.